DOCUMENT RESUME

ED 117 792	EA 007 847
TITLE	Child Nutrition Programs. Hearings Before the Subcommittee on Agricultural Research and General Legislation of the Committee on Agriculture and Forestry. United States Senate, Ninety-Fourth Congress. First Session on S.850, S.891, S.894, S.882, and S.1309, April 22 and 24, 1975.
INSTITUTION	Congress of the U.S., Washington, D.C. Senate Committee on Agriculture and Forestry.
PUB DATE	Apr 75
NOTE	312p.
EDRS PRICE	MF-$0.83 HC-$16.73 Plus Postage
DESCRIPTORS	Breakfast Programs; Child Welfare; Educational Finance; Educational Legislation; *Elementary Secondary Education; Federal Aid; Federal Government; *Federal Legislation; *Federal Programs; *Lunch Programs; *Nutrition
IDENTIFIERS	Child Nutrition Act 1966; *National School Lunch Act

ABSTRACT

This publication is a comprehensive record of testimony and exhibits presented to a subcommittee of the Committee on Agriculture and Forestry of the U.S. Senate during hearings on five proposed bills that would have extended and/or revised the various child nutrition programs financed by the federal government. The hearings were conducted on April 22 and April 24, 1975, and were concerned with the following legislation: S. 850, a bill to amend the National School Lunch Act and Child Nutrition Act in order to extend and revise the special food service program for children, the special supplemental food program, and the school breakfast program; S. 882, a bill to extend and revise the special supplemental food program; S. 891, a bill to amend the National School Lunch Act and the Child Nutrition Act of 1966 to authorize additional appropriations; S. 894, a bill to establish a universal food service program for children; and S. 1309, a bill to amend the National School Lunch Act to assure that the school food service program is maintained. Testimony and exhibits are presented chronologically and indexed alphabetically by witnesses' names. (JG)

****
* Documents acquired by ERIC include many informal unpublished materials not available from other sources. ERIC makes every effort to obtain the best copy available. Nevertheless, items of marginal reproducibility are often encountered and this affects the quality of the microfiche and hardcopy reproductions ERIC makes available via the ERIC Document Reproduction Service (EDRS). EDRS is not responsible for the quality of the original document. Reproductions supplied by EDRS are the best that can be made from the original. *
****

EA

CHILD NUTRITION PROGRAMS

U.S. DEPARTMENT OF HEALTH,
EDUCATION & WELFARE
NATIONAL INSTITUTE OF
EDUCATION
THIS DOCUMENT HAS BEEN REPRODUCED EXACTLY AS RECEIVED FROM THE PERSON OR ORGANIZATION ORIGINATING IT. POINTS OF VIEW OR OPINIONS STATED DO NOT NECESSARILY REPRESENT OFFICIAL NATIONAL INSTITUTE OF EDUCATION POSITION OR POLICY

ED117792

HEARINGS

BEFORE THE

SUBCOMMITTEE ON AGRICULTURAL RESEARCH AND GENERAL LEGISLATION

OF THE

COMMITTEE ON AGRICULTURE AND FORESTRY UNITED STATES SENATE

NINETY-FOURTH CONGRESS

FIRST SESSION

ON

S. 850

A BILL TO AMEND THE NATIONAL SCHOOL LUNCH AND CHILD NUTRITION ACTS IN ORDER TO EXTEND AND REVISE THE SPECIAL FOOD SERVICE PROGRAM FOR CHILDREN, THE SPECIAL SUPPLEMENTAL FOOD PROGRAM, AND THE SCHOOL BREAKFAST PROGRAM, AND FOR OTHER PURPOSES RELATED TO STRENGTHENING THE SCHOOL LUNCH AND CHILD NUTRITION PROGRAMS

S. 882

A BILL TO EXTEND AND REVISE THE SPECIAL SUPPLEMENTAL FOOD PROGRAM

S. 891

A BILL TO AMEND THE NATIONAL SCHOOL LUNCH ACT AND THE CHILD NUTRITION ACT OF 1966 FOR THE PURPOSE OF AUTHORIZING ADDITIONAL APPROPRIATIONS FOR PROGRAMS AUTHORIZED BY THOSE ACTS

S. 894

A BILL TO ESTABLISH A UNIVERSAL FOOD SERVICE PROGRAM FOR CHILDREN

S. 1309

A BILL TO AMEND THE NATIONAL SCHOOL LUNCH ACT, AS AMENDED, TO ASSURE THAT THE SCHOOL FOOD SERVICE PROGRAM IS MAINTAINED AS A NUTRITION SERVICE TO CHILDREN IN PUBLIC AND PRIVATE SCHOOLS, AND FOR OTHER PURPOSES

APRIL 22 AND 24, 1975

Printed for the use of the Committee on Agriculture and Forestry

U.S. GOVERNMENT PRINTING OFFICE
52-880
WASHINGTON : 1975

EA 007 847

COMMITTEE ON AGRICULTURE AND FORESTRY

HERMAN E. TALMADGE, Georgia, *Chairman*

JAMES O. EASTLAND, Mississippi
GEORGE McGOVERN, South Dakota
JAMES B. ALLEN, Alabama
HUBERT H. HUMPHREY, Minnesota
WALTER D. HUDDLESTON, Kentucky
DICK CLARK, Iowa
RICHARD B. STONE, Florida
PATRICK J. LEAHY, Vermont

ROBERT DOLE, Kansas
MILTON R. YOUNG, North Dakota
CARL T. CURTIS, Nebraska
HENRY BELLMON, Oklahoma
JESSE HELMS, North Carolina

MICHAEL R. McLEOD, *General Counsel and Staff Director*

SUBCOMMITTEE ON AGRICULTURAL RESEARCH AND GENERAL LEGISLATION

JAMES B. ALLEN, Alabama, *Chairman*

JAMES O. EASTLAND, Mississippi
DICK CLARK, Iowa
GEORGE McGOVERN, South Dakota
PATRICK J. LEAHY, Vermont

ROBERT DOLE, Kansas
MILTON R. YOUNG, North Dakota
HENRY BELLMON, Oklahoma

Ex Officio Member

HERMAN E. TALMADGE, Georgia

CONTENTS

Statement of—

Page
Allen, Dr. William, member, council on legislation, The American Dental Association, Pasadena, Calif 255
Brown, Dorothy M., R.D., Great Falls, Mont 285
Berry, Marilyn A., director, Washington office of the Governor 279
Burke, Fred G., commissioner, Department of Education, Trenton, N.J 282
Case, Hon. Clifford P., a U.S. Senator from the State of New Jersey 54
Clark, Hon. Dick, a U.S. Senator from the State of Iowa 165
Clinkscales, Ms. Emma, director, Nutrition Services, Bureau of Maternal and Child Health, Alabama Department of Health, Montgomery, Ala 123
Craft, Jackie, director, Fort Peck Reservation Head Start, Poplar, Mont 288
Cunningham, George C., chief, Maternal and Child Health Unit, California Department of Health, Sacramento, Calif., representing the Association of State and Territorial Maternal and Child Health and Crippled Directors 272
Day, Joe, Montana Inter-Tribal Policy Board, Billings, Mont 287
Dole, Hon. Robert, a U.S. Senator from the State of Kansas 32
Ellis, Edward, executive director, Kentucky Youth Research Center, Frankfort, Ky 216
Erickson, Gordon, president, Grill Meats, Sandusky, Ohio 130
Feeley, Miss Jeanne E., director, recreation and camping, The Easter Seal Society for Crippled Children and Adults of Pennsylvania, Middletown, Pa 305
Feldman, Stanley O., president, Rueckert Meats Co., St. Louis, Mo., representing the National Association of Meat Purveyors 127
Feltner, Richard L., Assistant Secretary for Marketing and Consumer Services, U.S. Department of Agriculture 35
Fridy, Ms. Susan, legislative representative, National Milk Producers Federation 116
Galbraith, Ms. Annie, associate director, dietary department and dietetic internship director, Massachusetts General Hospital, Boston, Mass 119
George, Ms. Ione H., director, School Food Service, Kansas Department of Education, Topeka, Kans 88
Goldberg, David, director, WIC program, Vermont Department of Health, Burlington, Vt 204, 233
Gorodetsky, Rabbi Sholom, chairman of the board, Hassidic Corporation for Urban Concerns, Brooklyn, N.Y 242
Greenwood, Ms. Llewellyn, national project director, Children's Residential Institutions Project, The Children's Foundation 138
Harvey, Ms. Stefan, WIC advocacy director, The Children's Foundation 149
Heckman, Deborah A., Saunders County WIC, Thompson Falls, Mont 287
Hekman, Edward J., Administrator, Food and Nutrition Service, U.S. Department of Agriculture 42
Hiwalker, Patricia, Lame Deer, Mont 284
Huddleston, Hon. Walter D., a U.S. Senator from the State of Kentucky 34
Hughes, Barbara Ann, R.D., M.P.H., head, Nutrition and Dietary Services Branch, North Carolina WIC Coordinator, Division of Health Services, North Carolina Department of Human Resources, also representing as secretary, Association of State and Territorial Public Health Nutrition Directors, an affiliate of the Association of State and Territorial Health Officers, Raleigh, N.C 84

Statement of—Continued

Page
Humphrey, Hon. Hubert H., a U.S. Senator from the State of Minnesota 32
Hunt, Philip G., vice president, corporate affairs, Morrison, Inc., Mobile, Ala., and president, Foodservice and Lodging Institute 237
Jeffords, Hon. James M., a Representative in Congress from the State of Vermont 55
Kairys, Dr. Steven, chief, Bureau of Maternal and Child Health, Department of Health and Environmental Sciences, Helena, Mont. 288
Kaufman, Ms. Mildred, administrator, Nutrition Section, Florida Division of Health, Jacksonville, Fla 179
Kreutz, Rose E., R.N., M.S. Ed., chairman, Nutrition Committee, Viterbo College, LaCrosse, Wis 303
Lovell, Mrs. Helen, director, Nutrition Section, Department of Health and Hospitals, Denver, Colo 303
Lynch, G. A. (Dan), executive secretary, Association of Institutional Distributors, McLean, Va 267
Martin, Ms. Josephine, administrator, School Food Service Program, Georgia Department of Education; chairman, legislative committee, American School Food Service Association, Atlanta, Ga 59
Martin, Malin D., executive director, The Easter Seal Society for Crippled Children and Adults of Connecticut, Inc., Hartford, Conn. 305
Mauer, Dr. Alvin M., medical director, St. Jude Children's Research Hospital, Memphis, Tenn., representing the committee on nutrition, American Academy of Pediatrics 185
McGovern, Hon. George, a U.S. Senator from the State of South Dakota 29
McManus, Mike, president, Interaction, Seattle, Wash 188
Murphy, Katherine L., R.D., Columbus Hospital, Great Falls, Mont 284
National Association of Food Equipment Manufacturers 306
Noble, Mrs. Jeanne, president, Maryland Food Committee, Inc., Baltimore, Md 244
Olive, Mrs. Lucille, director SuNuP program, Newark, N.J 155
Petersen, Peter H., Washington representative, Association of Meat Purveyors 131
Poore, Harold, day care specialist, Division of Community Services, Iowa Department of Social Services, Des Moines, Iowa 208
Reiss, Col. Ellsworth C., retired, president, National Association of State Agencies for Food Distribution, Trenton, N.J 260
Reynolds, H. Emmett, chairman, National Peanut Grower Group, Georgia Farm Bureau, Macon, Ga 300
Rigg, Mrs. Lillian, R.D., Columbus Hospital, Great Falls, Mont 284
Robinson, George M., State day care supervisor, Social Service Board of North Dakota, Bismarck, N. Dak 219
Ryan, Mrs. Yvonne D., Poplar, Mont 288
Scott, Ed, Superior School Supplies, Inc., Parsons, Kans 110
Searing, Lee, director, school lunch program, Broward County, Fort Lauderdale, Fla 68
Shook, William M., Jr., director, Public Health, Department of Health, Bangor, Maine 168
Stalker, John, director, school lunch program, Massachusetts Department of Education, Boston, Mass 65
Stickle, Gabriel, vice president for program, the National Foundation, March of Dimes, White Plains, N.Y 159
Tunney, Hon. John V., a U.S. Senator from the State of California 167
Walts, G. L., executive vice president, National Turkey Federation 307
Wilen, Ms. Charlotte, Georgia Council on Maternal and Infant Health, Atlanta, Ga 174
Wynne, Brian, assistant executive director, Association of Institutional Distributors, McLean, Va 265

Miscellaneous documents:

Page
- S. 850 ... 2
- S. 882 ... 16
- S. 891 ... 19
- S. 894 ... 20
- S. 1309 ... 27
- North Dakota House Concurrent Resolution No. 3042 ... 168
- The Confederated Salish and Kootenai Tribes of the Flathead Reservation, Dixon, Mont ... 283
- Blackfeet Family Planning Program, Browning, Mont ... 285
- Resolution of the Bismarck-Mandan Nutrition Council, Bismarck, N. Dak ... 301

CHILD NUTRITION PROGRAMS

TUESDAY, APRIL 22, 1975

U.S. Senate,
Subcommittee on Agricultural Research,
and General Legislation of the
Committee on Agriculture and Forestry,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10:10 a.m., in room 324, Russell Senate Office Building, Hon. George S. McGovern presiding.

Present: Senators McGovern, Leahy, and Dole.

STATEMENT OF HON. GEORGE McGOVERN, A U.S. SENATOR FROM THE STATE OF SOUTH DAKOTA

Senator McGovern. If the subcommittee will be in order, I would just like to make a brief opening statement before we turn to our witnesses.

We have a number of witnesses to be heard today, and we will have to put some time limitation on as we move along, with the exception of the major witness from the administration, Mr. Feltner. I would like to ask the other witnesses to hold their testimony to not more than 10 minutes. We have some 22 people to be heard, so if we are going to get through, we will have to respect the time limitation.

This morning we are going to consider legislation designed to strengthen our child nutrition programs. This legislation is necessary for two reasons: First, the authorization for many of these programs expires at the end of this fiscal year on June 30; and second, the administration has proposed a plan for funding child nutrition programs that would set back 30 years' worth of progress in child nutrition.

I am very much concerned about this proposal, and I am hopeful that Congress will reject it. Most of us know that its impact would be devastating. Eliminated entirely would be diet supplementation for some 800,000 low-income women, infants, and children in some 49 States; 2½ billion lunches—the number of paid for lunches served each school year, would be priced beyond the reach of children. The special milk program would be eliminated entirely and all meals for any of the millions of children in day care centers and Head Start centers would be terminated. Finally, all school breakfasts for some 2 million children would be ended.

I am not sure of the reasoning behind these proposals, but I think the obvious suggestion is that it is an effort to reduce the budget, in an area where the budget can least withstand reductions. Anything we do to reduce the commitment to the health and strength of our children is, in my opinion, self-defeating.

The legislation that I have introduced with the cosponsorship of a number of Senators on both sides of the aisle would accomplish the following things: First, it extends the school breakfast program, which I hope will soon begin to enjoy greater participation; second, it extends and improves the Head Start nutrition program, the day care nutrition program, the summer feeding program, primarily by adding many of the provisions which have helped the school lunch program grow.

Beyond this, it extends and expands the so-called WIC program for women, infants, and children, which has developed truly phenomenal support in our communities. The legislation also extends and improves the distribution of commodities to the school lunch program.

Since introducing this legislation, S. 850, I have added two amendments, one of which has already passed the House on a voice vote, and that would simply mandate that all schools at least offer the option of reduced-price lunches to their students.

The second amendment extensively improves, I believe, the summer food program, which provides a very important service but which needed some improvements. The second part of this amendment directs the Department to do a study of the staffing needs of the States in light of the nutrition program in S. 850.

Before beginning the hearing I would like to introduce for the record two Nutrition Committee prints, which are being released today.[1] I have found them invaluable in giving us the opinion of those States who administer these nutrition programs, and I think they can be an important part of our hearing record.

I would also ask that Senate bills 850, 882, 891, 894, and 1309 and the staff explanation of each one, be printed in the record at this point.

Without objection, so ordered.

[The information referred to follows:]

[S. 850, 94th Cong., 1st sess.]

A BILL To amend the National School Lunch and Child Nutrition Acts in order to extend and revise the special food service program for children, the special supplemental food program, and the school breakfast program, and for other purposes related to strengthening the school lunch and child nutrition programs

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National School Lunch and Child Nutrition Act Amendments of 1975."

SCHOOL BREAKFAST PROGRAM

SEC. 2. Section 4(a) of the Child Nutrition Act is amended by inserting after "and June 30, 1975," "and subsequent fiscal years".

SEC. 3. Section 4 of the Child Nutrition Act of 1966 is amended by adding the following subsection:

"(e) As a national nutrition and health policy, it is the purpose and intent of the Congress that the school breakfast program be made available in all schools where it is needed to provide adequate nutrition for children in attendance. The Secretary is hereby directed, in cooperation with State educational agencies, to carry out a program of information to the schools in furtherance of this policy. Within ninety days after the enactment of this legislation, the

---

[1] The material referred to can be found in the files of the committee.

Secretary shall report to the committee of jurisdiction in the Congress his plans and those of the cooperating State agencies, to bring about the needed expansion in the school breakfast program.".

MATCHING

SEC. 4. Section 7 of the National School Lunch Act is amended by adding the following sentence at the end of such section: "*Provided, however,* That the total State matching of $3 for $1, as required in the third sentence of this section with adjustments for the per capita income of the State, shall not apply with respect to the payments made to participating schools under section 4 of this Act for free and reduced price meals: *Provided further,* That the foregoing proviso does not apply in the case of State level matching as required under the sixth sentence of this section.".

INCOME GUIDELINES FOR REDUCED PRICE LUNCHES

SEC. 5. Section 9(b) of the National School Lunch Act is amended by deleting "75 per centum" in the last sentence of said section and substituting 100 per centum.".

NONPROFIT PRIVATE SCHOOLS

SEC. 6. Section 10 of the National School Lunch Act is amended to read as follows: "If, in any State, the State educational agency is not permitted by law to disburse the funds paid to it under this Act to nonprofit private schools in the State, or is not permitted by law to match Federal funds made available for use by such nonprofit private schools, the Secretary shall disburse the funds directly to the nonprofit private schools within said State for the same purposes and subject to the same conditions as are authorized or required with respect to the disbursements to schools within the State by the State educational agency, including the requirement that any such payment or payments shall be matched, in the proportion specified in section 7 for such State, by funds from sources within the State expended by nonprofit private schools within the State participating in the school lunch program under this Act. Such funds shall not be considered a part of the funds constituting the matching funds under the terms of section 7: *Provided,* That beginning with the fiscal year ending June 30, 1974, the Secretary shall make payments from the sums appropriated for any fiscal year for the purposes of section 4 of this Act directly to the nonprofit private schools in such State for the same purposes and subject to the same conditions as are authorized or required under this Act with respect to the disbursements by the State educational agencies.".

MISCELLANEOUS PROVISIONS AND DEFINITIONS

SEC. 7. Section 12(d)(7) of the National School Lunch Act is amended to read as follows: " 'School' means any public or nonprofit private school of high school grade or under and any public or licensed nonprofit private residential child caring institution, including, but not limited to orphanges, homes for the mentally retarded, homes for the emotionally disturbed, homes for unmarried mothers and their infants, temporary shelters for runaway children, temporary shelters for abused children, hospitals for children who are chronically ill, and juvenile detention centers.".

COMMODITIES

SEC. 8. Section 14 of the National School Lunch Act is amended by striking out "June 30, 1975" and inserting in lieu thereof "September 30, 1978" and by adding at the end thereof the following paragraph:

"(3) Among the products to be included in the food donations to the school lunch program shall be such cereal and shortening and oil products as were provided in the fiscal year 1974. Such products shall be provided to the school lunch program in the same or greater quantities as were provided in the fiscal year 1974 and shall be in addition to the value of commodity donations, or cash in lieu thereof, as provided for in section 6 of this Act.".

SEC. 9. Section 6(e) of the National School Lunch Act is amended by adding the following language at the end of said section: "*Provided further,* That not less than 75 per centum of the assistance provided under this subsection shall be in the form of foods purchased by the United States Department of Agriculture for the school lunch program.".

SEC. 10. Section 6(a)(3) of the National School Lunch Act is amended by adding the following at the end of said section: "The value of assistance to children under this Act shall not be considered to be income or resources for any purposes under any Federal or State laws, including laws relating to taxation and welfare and public assistance programs.".

SEC. 11. Section 3 of the Child Nutrition Act of 1966 is amended by deleting the second sentence and inserting in lieu thereof: "For the purposes of this section 'United States' means the fifty States, Guam, Puerto Rico, and the District of Columbia.".

SUMMER FOOD PROGRAM

SEC. 12. Section 13 of the National School Lunch Act is amended by deleting subsection 13(g) and revising subsections 13(a), 13(b), and 13(c)(2) to read as follows:

"(a)(1) There is hereby authorized to be appropriated such sums as are necessary for the fiscal years ending June 30, 1976, and June 30, 1977, to enable the Secretary to formulate and carry out a program to assist States through grants-in-aid and other means, to initiate, maintain, or expand nonprofit food service programs for children in service institutions. For purposes of this section, the term 'service institutions' means public institutions or private, nonprofit institutions that develop special summer programs providing food service similar to that available to children under the national school lunch or school breakfast programs during the school year. To the maximum extent feasible, consistent with the purposes of this section, special summer programs shall utilize the existing food service facilities of public and nonprofit private schools. Any eligible institution shall receive the summer food program upon its request.

"(2) Service institutions eligible to participate under the program authorized under section 13 of the National School Lunch Act shall be limited to those which conduct a regularly scheduled program for children for areas in which poor economic conditions exist and from areas in which there are a high concentration of working mothers. Summer camps that otherwise qualify as institutions under this subsection shall be eligible for the summer food program if attending children are maintained in continuous residence for no more than one month.

"(b) The Secretary shall publish proposed regulations relating to the implementation of the summer food program by January 1 of each fiscal year, and shall publish final regulations, guidelines, applications, and handbooks by March 1 of each fiscal year.".

"(c)(2) In circumstances of severe need where the rate per meal established by the Secretary under subsection (c)(1) is insufficient to carry on an effective feeding program, the Secretary may authorize financial assistance not to exceed 80 per centum of the operating costs of such a program, including the cost of obtaining, preparing, and serving food. Non-Federal contributions may be in cash or kind, fairly evaluated, including but not limited to equipment and services. In the selection of institutions to receive assistance under this subsection, the State educational agency shall require the applicant institutions to provide justification of the need for such assistance. The maximum allowable reimbursement for service institutions authorized to receive assistance under this subsection shall be set at 80 cents for lunches and suppers served, 45 cents for breakfasts served, and 25 cents for meal supplements served, with the above maximum amounts being adjusted each March 1 to the nearest one-fourth cent in accordance with charges for the twelve-month period ending the prior January 31 in the series for food away from home of the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor. The initial such adjustment shall be made on March 1, 1976, and shall reflect the change in the series food away from home during the period January 31, 1975, to January 31, 1976.".

SPECIAL FOOD SERVICE PROGRAM

SEC. 13. The National School Lunch Act is amended by adding the following section:

"SEC. 16. (a)(1) There is hereby authorized to be appropriated such sums as are necessary to enable the Secretary of Agriculture to formulate and carry out a program to assist States through grants-in-aid and other means to initiate, maintain, or expand nonprofit food service programs for needy children in institutions providing child care. Any funds appropriated to carry out the provisions of this section shall remain available until expended.

"(2) For purposes of this section, the term 'institution' means any public or private nonprofit organization where children are not maintained in permanent residence including but not limited to day care centers, settlement houses, recreation centers, family day care centers, Headstart centers, and institutions providing day care services for handicapped children. No such institution shall be eligible to participate in this program unless it has either local, State, or Federal licensing or approval as a child-care institution, or can satisfy the Secretary that it is in compliance with the applicable Federal Interagency Day Care Requirements of 1968: *Provided, however*, That lack of tax exempt status shall not prohibit eligibility for any institution under this section. The term 'State' means any of the fifty States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands. Any institution shall receive the special food service program upon its request.

"(b)(1) APPORTIONMENT TO THE STATE.—For each fiscal year beginning with the fiscal year ending June 30, 1976, the Secretary shall make special food service payments no less frequently than on a monthly basis to each State educational agency in an amount no less than the sum of the product obtained by multiplying (a) the number of breakfasts served in special food service programs within that State by the national average payment rate for breakfasts under section 4 of the Child Nutrition Act of 1966 as amended, (b) the number of breakfasts served in special food service programs within the State to children from families whose incomes meet the eligibility criteria for free school meals by the national average payment rate for free breakfasts under section 4 of the Child Nutrition Act of 1966 as amended, (c) the number of breakfasts served in special food service programs, within that State to children from families whose incomes meet the eligibility criteria for reduced price school meals by the national average payment rate for reduced price school breakfasts under section 4 of the Child Nutrition Act of 1966 as amended, (d) the number of lunches and suppers served in special food service programs within the State by the national average payment rate for lunches under section 4 of the National School Lunch Act, (e) the number of lunches and suppers served in special food service programs within that State to children from families whose incomes meet the eligibility criteria for free school meals by the national average payment rate for free school lunches under section 11 of the National School Lunch Act, (f) the number of lunches and suppers served in special food service programs in the State to children whose families meet the eligibility criteria for reduced price school meals by the national average payment factor for reduced price lunches under section 11 of the National School Lunch Act, (g) the number of snacks served in special food service programs in that State by 5 cents; (h) the number of snacks served in special food service programs in the State and to children from families whose incomes meet the eligibility criteria for free school meals by 20 cents, (i) the number of snacks served in special food service programs in that State to children from families whose incomes meet the eligibility criteria for reduced price school meals by 15 cents. The rates established pursuant to subsection (g), (h), and (i) shall be adjusted semiannually to the nearest one-fourth cent by the Secretary to reflect the changes in the series for food away from home of the Consumer Price Index published by the department of Labor Statistics of the Department of Labor: *Provided*, That the initial such adjustment shall be effective January 1, 1976, and shall reflect changes in the series food away from home during the period June through November 1975. Reimbursement for meals provided under this subsection or under subsection (2) of this section shall not be dependent upon collection of moneys from participating children.

"(2) For each fiscal year beginning with the fiscal year ending June 30, 1976, the Secretary shall make further special food service payments no less frequently that a monthly basis to each State educational agency in amounts equal to the sum of the product obtained by multiplying the number of breakfasts, lunches, suppers, and snacks served in special food service programs within that State by institutions that are determined to be especially needy by the difference between the cost of providing such meals (which shall include the full cost of obtaining, handling, serving, and preparing food as well as supervisory and administrative costs and indirect expenses, but not including the cost of equipment provided for under section 18 of this Act) and the respective rates for such meals specified in subsection (1).

"(3) No later than the first day of each month, the Secretary shall forward to each State an advance payment for meals served in that month pursuant to subsections (1) and (2) of this section, which payment shall be no less than the total payment made to such State for meals served pursuant to subsections (1) and (2) of this section for the most recent month for which final reimbursement claims have been settled. The Secretary shall forward any remaining payment due pursuant to subsections (1) and (2) of this section no later than thirty days following receipt of valid claims: *Provided*, That any funds advanced to a State for which valid claims have not been established within ninety days shall be deducted from the next appropriate monthly advance payments, unless the claimant requests a hearing with the Secretary prior to the ninetieth day.

"(c) Meals served by institutions participating in the program under this section shall consist of a combination of foods and shall meet minimum nutritional requirements prescribed by the Secretary on the basis of tested nutritional research. Such meals shall be served free to needy children. No physical segregation or other discrimination against any child shall be made because of his inability to pay, nor shall there be any overt identification of any such child by special tokens or tickets, announced or published lists of names or other means. No institution shall be prohibited from serving a breakfast, lunch, dinner, and snack to each eligible child each day.

"(d) Funds paid to any State under this section shall be disbursed by the State agency to institutions approved for participation of a nondiscriminatory basis to reimburse such institutions for all costs including labor and administrative expenses, of food service operations. All valid claims from such institutions shall be paid within thirty days.

"(e) Irrespective of the amount of funds appropriated under section 13 of this Act, foods available under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) or purchased under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), or section 709 of the Food and Agriculture Act of 1965 (7 U.S.C. 1446a–1), shall be donated by the Secretary of Agriculture to institutions participating in the special food service program in accordance with the needs as determined by authorities of these institutions for utilization in their feeding programs. The amount of such commodities donated to each State for each fiscal year shall be, at a minimum, the amount obtained by multiplying the number of lunches served in participating institutions during that fiscal year by the rate for commodities and cash in lieu thereof established for that fiscal year in accordance with the provisions of section 6(e) of the National School Lunch Act.

"(f) If in any State the State educational agency is not permitted by law or is otherwise unable to disburse the funds paid to it under this section to any service institution in the State, the Secretary shall withhold all funds provided under this section and shall disburse the funds so withheld directly to service institutions to the State for the same purpose and subject to the same conditions as are required of a State educational agency disbursing funds made available under this section.

"(g) The value of assistance to children under this section shall not be considered to be income or resources for any purpose under any Federal or State laws, including laws relating to taxation and welfare and public assistance programs. Expenditures of funds from State and local sources for the maintenance of food programs for children shall not be diminished as a result of funds received under this section.

"(h) There is hereby authorized to be appropriated for any fiscal year such sums as may be necessary to the Secretary for his administrative expenses under this section.

"(i) States, State educational agencies, and service institutions participating in programs under this section shall keep such accounts and records as may be necessary to enable the Secretary to determine whether there has been compliance with this section and the regulations hereunder. Such accounts and records shall at all times be available for inspection and audit by representatives of the Secretary and shall be preserved for such period of time, not in excess of five years, as the Secretary determines is necessary.".

Sec. 14. The National School Lunch Act is amended by adding the following section:

"Sec. 17. As a national nutrition and health policy, it is the purpose and intent of the Congress that the special food service program and the summer food program be made available in all service institutions where it is needed to provide adequate nutrition for children in attendance. The Secretary is hereby directed, in cooperation with State educational and child-care agencies, to carry out a program of information to the schools in furtherance of this policy. Within ninety days after the enactment of this legislation, the Secretary shall report to the committees of jurisdiction in the Congress his plans and those of the cooperating State agencies to bring about the needed expansion in the special food service and summer food program.".

NONFOOD ASSISTANCE

SEC. 15. The National School Lunch Act is amended by adding the following section:

"SEC. 18. (1) Of the sum appropriated for any fiscal year pursuant to the authorization contained in section 13 and section 16 of the Act, $5,000,000 shall be available to the Secretary for the purpose of providing, during each such fiscal year, nonfood assistance for the special food service program, and the summer food program, pursuant to the provisions of this Act. The Secretary shall apportion among the States during each fiscal year the aforesaid sum of $5,000,000: *Provided*, That such an apportionment shall be made according to the ratio among the States of the number of children below age 6 who are members of households which have an annual income not above the applicable family size income level set forth in the income poverty guideline prescribed by the Secretary under section 9(b) of the National School Lunch Act.

"(2) If any State cannot utilize all of the funds apportioned to it under the provisions of this section, the Secretary shall make further apportionments to the remaining States. Payments to any State of funds apportioned under the provisions of this subsection for any fiscal year shall be made upon condition that at least one-fourth of the cost of equipment financed under this section shall be borne by funds from sources within the State, except that such condition shall not apply with respect to funds used under this section to assist institutions determined by the State to be especially needy.

"(3) For purposes of this section, the term 'State' shall mean any of the fifty States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

"(4) If in any State the State educational agency is not permitted by law or is otherwise unable to disburse the funds paid to it under this section to any service institution in the State, the Secretary shall withhold all funds apportioned under this section and shall disburse the funds so withheld directly to service institutions in the State for the same purpose and subject to the same conditions as are required of a State educational agency disbursing funds made available under this section.".

SPECIAL SUPPLEMENTAL FOOD PROGRAM

SEC. 16. Section 17 of the Child Nutrition Act of 1966 is revised to read as follows:

"(a) The Congress finds that substantial numbers of pregnant women, infants, and young children are at special risk in respect to their physical and mental health by reason of poor or inadequate nutrition and/or health care. Therefore, it is the intent of this act to provide supplemental nutritious food as an adjunct to good health care during these critical times of growth and development in order to prevent the occurrence of these health problems.

"(b) For each fiscal year the Secretary shall make cash grants to the health department or comparable agency of each State, Indian tribe, band or group recognized by the Department of the Interior; or the Indian Health Service of the Department of Health, Education, and Welfare for the purpose of providing funds to local health or welfare agencies or private nonprofit agencies of such State, Indian tribe, band, or group recognized by the Department of the Interior; or the Indian Health Service of the Department of Health, Education, and Welfare, serving local health or welfare needs to enable such agencies to carry out health and nutrition programs under which supplemental foods will be made available to all pregnant or lactating women and to infants determined by competent professionals to be nutritional risks because of inadequate nutrition and inadequate income, in order to improve their health status. Such program shall be carried out without regard to whether a food stamp program or supplemental food program or a direct food distribution program is in effect in such area.

"(c) In order to carry out the program provided for under subsection (b) of this section during each fiscal year, the Secretary shall use $300,000,000 out of funds appropriated by section 32 of the Act of August 24, 1935 (7 U.S.C. 612

(c)). In order to carry out such program during each fiscal year, there is authorized to be appropriated the sum of $300,000,000, but in the event that such sum has not been appropriated for such purpose by July 1 of each fiscal year, the Secretary shall use $300,000,000, or, if any amount has been appropriated for such program, the difference, if any, between the amount directly appropriated for such purpose and $300,000,000, out of funds appropriated by section 32 of the Act of August 24, 1935 (7 U.S.C. 612(c)). Any funds expended from such section 32 to carry out the provisions of subsection (a) of this section shall be reimbursed out of any supplemental appropriation hereafter enacted for the purpose of carrying out the provisions of such subsection, and such reimbursements shall be deposited into the fund established pursuant to such section 32, to be available for the purpose.

"(d) Whenever any program is carried out by the Secretary under authority of this section through any State or local or nonprofit agency, he is authorized to pay administrative costs not to exceed 25 percentum of the projected program funds provided to each State under the authority of this section: *Provided*, That each health department or comparable agency of each State, Indian tribe, band, or group recognized by the Department of the Interior; or the Indian Health Service of the Department of Health, Education, and Welfare receiving funds from the Secretary under this section shall, by January 1, each year, for approval by him as a prerequisite to receipt of funds under this section, submit a description of the manner in which administrative funds shall be spent, including, but not limited to, a description of the manner in which nutrition education and outreach services will be provided. Outreach funds shall be used to search out those most in need of the benefits of this program. The Secretary shall take affirmative action to insure that programs begin in areas most in need of special supplemental food: *Provided further*, That during the first three months of any program, or until the program reaches its projected caseload level, whichever comes first, the Secretary shall pay those administrative costs necessary to successfully commence the program.

"(e) The eligibility of persons to participate in the program provided for under subsection (a) of this section shall be determined by competent professional authority. Participants shall be residents or members of populations served by clinics or other health facilities determined to have significant numbers of infants and pregnant and lactating women at nutritional risk.

"(f) State or local agencies or groups carrying out any programs under this section shall maintain adequate medical records or the participants assisted to enable the Secretary to determine and evaluate the benefits of the nutritional assistance provided under this section. The Secretary shall convene an advisory committee made up of representatives from the Maternal and Child Health Division, of the Department of Health, Education, and Welfare, the Center for Disease Control, the Association of State and Territorial Public Health Nutrition Directors, the American Academy of Pediatrics, the National Academy of Science—National Research Council, the American Dietetic Association, the American Public Health Association, the Public Health Service, and others as the Secretary deems appropriate. This committee shall study the methods available to successfully and economically evaluate in part or in total, the health benefits of the special supplemental food program. Their study shall consider the usefulness of the medical data collected and the methodology used by the Department of Agriculture and the Comptroller General of the United States prior to March 30, 1975. Their study shall also include the applicability to an evaluation of the special supplemental food program of Federal and State health, welfare, and nutrition assessment and surveillance projects currently being conducted. The purpose of this advisory committee shall be to determine and recommend in detail how, using accepted scientific methods, the health benefits of the special supplemental food program may best be evaluated and assessed. This advisory committee shall report to the Secretary no later than December 1, 1975. The Secretary shall submit to Congress his recommendations based on this study no later than March 1, 1976.

"(g) Definition of terms used in this section—

"(1) 'Pregnant and lactating women' when used in connection with the term 'at nutritional risk' includes mothers up to six months post partum from low-income populations who demonstrate one or more of the following characteristics: known inadequate nutritional patterns, unacceptably high incidence of anemia, high prematurity rates, or inadequate patterns of growth (underweight, obesity, or stunting). Such term (when used in connection with the term 'at nutritional risk') also includes low-income individuals who have a history of high-risk pregnancy as evidenced by abortion, premature birth, or severe anemia.

"(2) 'Infants' when used in connection with the term 'at nutritional risk' means children under five years of age who are in low-income populations which have shown a deficient pattern of growth, by minimally acceptable standards, as reflected by an excess number of children in the lower percentiles of height and weight. Such term, when used in connection with 'at nutritional risk', may also include children under five years of age who (A) are in the parameter of nutritional anemia, or (B) are from low-income populations where nutritional studies have shown inadequate infant diets. Any child participating in a nonresidential child care program shall not be excluded from participating in the WIC program.

"(3) 'Supplemental foods' shall mean those foods containing nutrients known to be lacking in the diets of populations at nutritional risks and, in particular, those foods and food products containing high-quality protein, iron, calcium, vitamin A, and vitamin C. Such term may also include (at the discretion of the Secretary) any commercially formulated preparation specifically designed for women or infants. The contents of the food package shall be made available in such a manner as to provide flexibility based on medical necessity or cultural eating patterns.

"(4) 'Competent professional authority' includes physicians, nutritionists, registered nurses, dietitians, or State or local medically trained health officials as being competent professionally to evaluate nutritional risk.

"(5) 'Administrative costs' include costs for outreach, referral, operation, monitoring, nutrition education, general administration, startup, clinic, and administration of the State WIC office.

"(h)(1) There is hereby established a council to be known as the National Advisory Council on Maternal, Infant, and Fetal Nutrition (hereinafter in this section referred to as the 'Council') which shall be composed of fifteen members appointed by the Secretary. One member shall be a State director of the special supplemental food program, one member shall be a State fiscal director for the special supplemental food program (or the equivalent thereof), one member shall be a State health officer (or equivalent thereof), one member shall be a project director of a special supplemental food program in an urban area, one member shall be a project director of a special supplemental food program in a rural area, one member shall be a State public health nutrition director (or equivalent thereof), two members shall be parent recipients of the special supplemental food program, one member shall be a pediatrician, one member shall be an obstetrician, one member shall be a person involved at the retail sales of food in the special supplemental food program, two members shall be officers or employees of the Department of Health, Education, and Welfare, specially qualified to serve on the Council because of their education, training, experience, and knowledge in matters relating to maternal, infant, and fetal nutrition, and two members shall be officers or employees of the Department of Agriculture, specially qualified because of their education, training, experience, and knowledge in matters relating to maternal, infant, and fetal nutrition.

"(2) The eleven members of the Council appointed from outside the Department of Agriculture shall be appointed for terms of three years, except that the nine members first appointed to the Council shall be appointed as follows: Three members shall be appointed for terms of three years, three members shall be appointed for terms of two years, and three members shall be appointed for terms of one year. Thereafter all appointments shall be for a term of three years, except that a person appointed to fill an unexpired term shall serve only for the remainder of such term. Members appointed from the Department of Agriculture shall serve at the pleasure of the Secretary.

"(3) The Secretary shall designate one of the members to serve as Chairman and one to serve as Vice Chairman of the Council.

"(4) The Council shall meet at the call of the Chairman but shall meet at least once a year.

"(5) Eight members shall constitute a quorum and a vacancy on the Council shall not affect its powers.

"(6) It shall be the function of the Council to make a continuing study of the operation of the special supplemental food program and any related Act under which diet supplementation is provided to women, infants, and children, with a view to determining how such programs may be improved. The Council shall submit to the President and the Congress annually a written report of the results of its study together with such recommendations for administrative and legislative changes as it deems appropriate.

(2) The Secretary shall provide the Council with such technical and other assistance, including secretarial and clerical assistance, as may be required to carry out its functions under this Act.

"(3) Members of the Council shall serve without compensation but shall receive reimbursement for necessary travel and subsistence expenses incurred by them in the performance of the duties of the Council.

"(i) On September 1, 1975, the Secretary shall forward to each State an advance payment for the month of September pursuant to subsection (c) of this section which shall not be less than the total payment made to such State for the month of July 1975, pursuant to subsection (c) of this section and the Secretary shall forward any remaining payment due pursuant to subsection (c) of this section for the month of September 1975 no later than thirty days following the receipt of valid claims. Thereafter, on the first day of each month the Secretary shall, in a similar manner, forward an advance monthly payment to each State pursuant to subsection (c) of this section which shall not be less than the total payment made to such State in the second preceding month pursuant to subsection (c) of this section and the Secretary shall forward any remaining payment due pursuant to subsection (c) of this section for such month no later than thirty days following receipt of valid claims: *Provided*, That any funds advanced to a State for which valid claims have been established within ninety days shall be deducted from the next appropriate monthly advance payment, unless the claimant requests a hearing with the Secretary prior to the ninetieth day. On each July 1 and on each January 1 the Secretary shall publish in the Federal Register the amount of advance payments to be made to each State pursuant to this subsection for that month.".

AMENDMENT INTENDED TO BE PROPOSED BY MR. MCGOVERN AND MR. JAVITS TO S. 850 A BILL TO AMEND THE NATIONAL SCHOOL LUNCH AND CHILD NUTRITION ACTS

SUMMER FOOD PROGRAM

Sec. 2. On page 6, line 2, insert the following:

"Sec. 12. Section 13 of the National School Lunch Act is amended to read as follows:

"(a) (1) There is hereby authorized to be appropriated such sums as are necessary for the fiscal year ending June 30, 1976, September 30, 1977, and September 30, 1978, to enable the Secretary to formulate and carry out a program to assist States through grants-in-aid and other means, to initiate, maintain, and expand nonprofit food service programs for children in service institutions. For purposes of this section, the term 'service institutions' means nonresidential public or private, nonprofit institutions and residential public or private nonprofit summer camps that develop special summer programs providing food service similar to that available to children under the school lunch program under this Act or the school breakfast program under the Child Nutrition Act of 1966 during the school year. To the maximum extent feasible, consistent with the purposes of this section, special summer programs shall utilize the existing food service facilities of public and nonprofit private schools. Any eligible service institution shall receive the summer food program upon its request.

"(2) Service institutions eligible to participate under the program authorized under this section shall be limited to those which conduct a regularly scheduled program for children from areas in which poor economic conditions exist, for any period during the months of May through September at site locations where organized recreation activities or food services are provided for children in attendance."

"(3) For the purposes of this section, "poor economic conditions" shall mean an area in which at least 33⅓ percent of the children are eligible for free or reduced price school meals under the National School Lunch Act and Child Nutrition Act as shown by information provided from Model City target areas, departments of welfare, zoning commissions, census tracts, by the number of free and reduced price lunches or breakfasts served to children attending schools located in the area of summer food sites, or from other applicable sources. "State" shall mean any of the fifty states, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa and the Trust Territory of the Pacific Islands.

(b) Disbursement to service institutions shall equal the full cost of food service operations, except that such financial assistance to any such institution shall not exceed (1) 75.5 cents for all costs excepting administrative costs for each lunch and supper served, (2) 6 cents for administrative costs for each lunch and supper served, (3) 42 cents for all costs except administrative costs for each breakfast served, (4) 3 cents for administrative costs for each breakfast served, (5) 19.75 cents for all costs except administrative costs for each meal supplement served, and (6) 1.5 cents for administrative costs for each meal supplement served. Provided, That the above amounts shall be adjusted each March 1 to the nearest ¼ cent in accordance with changes for the year ending January 31 in the series for food away from home of the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor. The initial such adjustment shall reflect the change in the series for food away from home during the period January 31, 1975, to January 31, 1976. The cost of food service operations shall include the cost of obtaining, preparing and serving food and related administrative costs.

Provided further, that no service institution shall be prohibited from serving breakfast, suppers, and meal supplements as well as lunches unless the service period of different meals coincides or overlaps.

(c) Disbursements shall be made to service institutions only for meals served during the months of May through September, except that this period limitation shall not apply to institutions which develop food service programs for children on school vacation at any time under a continuous school calendar.

(d) No later than June 1, July 1, and August 1 of each year, the Secretary shall forward to each State an advance payment for meals served in that month pursuant to subsection (b), which amount shall be no less than (1) the total payment made to such State for meals served pursuant to subsection (b) for the same calendar month of the preceding calendar year or (2) 65 per centum of the amount estimated by the State, on the basis of approved applications, to be needed to reimburse service institutions for meals served pursuant to subsection (b) in that month, whichever is the greater.

The Secretary shall forward any remaining payment due pursuant to subsection (b) no later than 60 days following receipt of valid claims. Any funds advanced to a State for which valid claims have not been established within 180 days shall be deducted from the next appropriate monthly advance payment unless the claimant requests a hearing with the Secretary prior to the 180th day. Provided, however, that those programs operating during non-summer vacations during a continuous school year calendar shall receive advance payments on the first day of each month involved.

(e) Service institutions to which funds are disbursed under this section shall serve meals consisting of a combination of foods and meeting minimum nutritional standards prescribed by the Secretary on the basis of tested nutritional research. Such meals shall be served without cost to children attending service institutions approved for operation under this section.

(f) The Secretary shall publish proposed regulations relating to the implementation of the summer food program by January 1 of each fiscal year, and shall publish final regulations, guidelines, applications and handbooks by March 1 of each fiscal year.

In order to improve program planning, the Secretary is authorized to provide service institutions with start-up costs not to exceed 10 per centum of the federal funds provided such service institutions for meals served pursuant to subsection (b) during the preceding summer. Any such start-up costs shall be subtracted from payments subsequently made to service institutions for meals served pursuant to subsection (b).

(g) Each service institution participating under this section shall, insofar as practicable, utilize in its program foods designated from time to time by the Secretary as being in abundance, either nationally or in the institution area, or foods donated by the Secretary. Irrespective of the amount of funds appropriated under this section, foods available under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) or purchased under section 32 of the Act of August 24, 1935, (7 U.S.C. 612c), or section 709 of the Food and Agriculture Act of 1965 (7 U.S.C. 1446a-1), may be donated by the Secretary to service institutions in accordance with the needs as determined by authorities of these institutions for utilization in their feeding programs.

(h) If in any State the State educational agency is not permitted by law or is otherwise unable to disburse the funds paid to it under this section to any service institution in the State, the Secretary shall withhold all funds apportioned under this section and shall disburse the funds so withheld directly to service institutions in the State for the same purpose and subject to the same conditions as are required of a State educational agency disbursing funds made available under this section.

(i) The value of assistance to children under this section shall not be considered to be income or resources for any purpose under any Federal or State laws, including laws relating to taxation and welfare and public assistance programs. Expenditures of funds from State and local sources for the maintenance of food programs for children shall not be diminished as a result of funds received under this section.

(j) There is hereby authorized to be appropriated for any fiscal year such sums as may be necessary to the Secretary for his administrative expenses under this section.

(k) The Secretary shall pay to each State for administrative costs incurred pursuant to this section an amount equal to 2 per centum of the funds distributed to that State pursuant to subsection (b). Provided, however, that no state shall receive less than $10,000 each fiscal year for its administrative costs unless the funds distributed to that State pursuant to subsection (b) total less than $50,000 for such fiscal year. Provided further, that States shall undertake effective outreach to inform institutions in low income areas of the availability of the summer food program and to reach the maximum number of low income children who are served free or reduced price school lunches during the school year.

NUTRITION PROGRAM STAFF STUDY

Sec. 3. On page 27, after line 11, insert the following:

"Sec. 17. The Secretary of Agriculture is authorized to carry out a study to determine how States are utilizing federal funds provided to States for the administration of the child nutrition programs authorized by the National School Lunch Act and the Child Nutrition Act of 1966, and to determine the level of funds needed by the States for administrative purposes. The study shall report on: the current size and structure of State staffs, job descriptions and classifications; training provided to such staff; representation of minorities on staffs; and the allocation of staff time, training time, and federal administrative dollars spent among each of the various child nutrition programs. The study shall assess State needs for additional staff positions, training, and funds, for each of the above areas, including additional State needs to implement adequately the provisions of this Act. The study shall also determine State staffing needs and training program support required to conduct effective outreach for the purpose of reaching the maximum number of eligible children in the special food service program and the summer food program. The Secretary shall review the study design with the appropriate Congressional committees prior to its implementation, and shall report his findings together with any recommendations he may have with respect to additional legislation, to the Congress no later than March 1, 1976."

STAFF EXPLANATION OF S. 850

S. 850 would amend the National School Lunch Act and the Child Nutrition Act of 1966. The major provisions of the bill would—

(1) Make permanent the authorization for appropriations in the Child Nutrition Act for the school breakfast program and encourage the expansion of that program. (Under existing law, the authorization is scheduled to expire with the fiscal year ending June 30, 1975.)

(2) Except Federal funds received by a State to provide free and reduced price lunches under the National School Lunch Act from the general requirement that States match every dollar of Federal funds with $3.00 of State and local funds. No State could, however, reduce its present level of State funds.

(3) Provide that State educational agencies could establish income guidelines—for reduced price lunches under the National School Lunch Act—at levels up to 100 percent above those in the income poverty guidelines prescribed by the Secretary of Agriculture. (Under existing law, the State income guidelines may not be in excess of 75 percent above the income poverty guidelines prescribed by the Secretary.)

(4) Expand the definition of "school" under the national School Lunch Act to include any public or licensed nonprofit private residential child caring institution such as orphanages and homes for the mentally retarded.

(5) Extend through the fiscal year ending September 30, 1978, the commodity distribution program authorized by section 14 of the National School Lunch Act and require the donation to the school lunch program of cereal and shortening and oil products at the level provided during the fiscal year 1974. (Under existing law, the Secretary's authority to use section 32 funds and funds of the Commodity Credit Corporation to purchase commodities pursuant to section 14 of the National School Lunch Act will expire on June 30, 1975.)

(6) Require that not less than 75 percent of the assistance provided under section 6 of the National School Lunch Act be in the form of foods purchased by the U.S. Department of Agriculture.

(7) Provide that the value of assistance to children under the National School Lunch Act will not be considered income or resources for any purposes under any Federal or State law.

(8) Make Puerto Rico eligible for participation under the special milk program authorized by the Child Nutrition Act.

(9) Continue (with amendments) through the fiscal year ending June 30, 1977, the summer food program of the special food service program for children. (Under existing law, the program will terminate on June 30, 1975.)

(10) Continue (with amendments) on a permanent basis the special food service program for children. (Under existing law, the program will terminate on June 30, 1975.)

The amendments provide that Federal payments under the special food service program shall be at a fixed reimbursement rate with semi-annual adjustments to reflect changes in the Consumer Price Index for food served away from home.

(11) Require that the Secretary make available and apportion among the States $5,000,000 during each fiscal year for equipment assistance under the summer food program and the special food service program.

(12) Continue on a permanent basis (with amendments) the special supplemental food program for women, infants, and children (WIC). (Under existing law, the program will terminate on June 30, 1975.)

The major amendments include—

(A) An increase in the funding level for each fiscal year from $100,000,000 to $300,000,000.

(B) An increase in the amount the Secretary is authorized to pay States for administrative costs from 10 to 25 percent of the funds provided under the program. Administrative costs are defined as including costs for outreach.

(C) The establishment of a National Advisory Council on Maternal, Infant, and Fetal Nutrition. The Council is to make a continuing study of the WIC program and programs under related Acts providing diet supplementation to women, infants, and children with a view to determining how the programs may be improved.

(D) A requirement that advance monthly payments be made to each State.

SECTION-BY-SECTION ANALYSIS OF S. 850

SCHOOL BREAKFAST PROGRAM

Sec. 2.—This section merely extends the School Breakfast Program.

Sec. 3.—This section directs the Secretary of Agriculture to carry out a program of information to the States in regard to the School Breakfast Program. National participation in this program is only 10% of the School Lunch Program. Some schools may be uninformed as to the availability or the benefits of this program, and this section is an attempt to reach them and bring them into participation.

MATCHING

Sec. 4.—This section makes a technical change in the $3.1 State matching requirement under the National School Act. It is needed because the nature of the School Lunch Program is changing slightly with more free meals being served. The result is that States are unable to meet, in every instance, the matching requirements as much of this money has come from paying children. This change will not affect the amount of appropriated funds needed from the State or local level.

INCOME GUIDELINES FOR REDUCED PRICE LUNCHES

Sec. 5.—This section increases the eligibility for reduced price lunches to include more children from middle-income families. Last year this provision was also slightly expanded, and resulted in increased participation by tens of thousands of children daily. In many States, this helped keep total participation levels equal to the year before, as many other paying children dropped out of the program as food costs went up. This section is specifically intended to help those lower-middle income families who have felt the pinch of greatly increased food prices and have children in school. By expanding the eligibility for reduced price lunches, children from families whose incomes aren't so low as to qualify them for a free lunch but who come from working families with not a great deal of income, will be able to participate in the School Lunch Program, instead of dropping out. This section should help stem the flow of millions of paying children who have dropped out of the program in the last few years.

NON-PROFIT PRIVATE SCHOOLS

Sec. 6.—This section makes a technical change, deleting some matching language that is no longer needed as a result of the newer performance funding requirements of the National School Lunch Act.

MISCELLANEOUS PROVISIONS AND DEFINITIONS

Sec. 7.—This section changes the definition of school to include licensed nonprofit private residential institutions such as orphanages, homes for the mentally retarded, etc.

Currently only 9.3% of children in institutional care participate in the National School Lunch Program. The rest receive some federally donated commodities and some milk assistance. However, they receive nothing approaching the benefits of the School Lunch Program, in commodities or per meal reimbursements.

The vast majority (80%) of these children would be eligible for the School Lunch Program if they resided at home. The purpose of this section is to give them the same valuable nutritional support through the School Lunch Program as other children their age receive, who live at home and attend school. In their bloc grant proposal for all child nutrition programs, the Administration provides in their budget for per meal reimbursements to institutionalized children. This section does the same.

COMMODITIES

Sec. 8.—This section extends per meal commodity donations for the School Lunch Program. These commodities provide the foundation for this important program, and help support our agricultural markets. School lunch administrators and personnel are overwhelmingly in support of this extension. Without it, school meal costs would increase drastically, because many school districts cannot get commodities at the same price the Department of Agriculture can, nor could they inspect or grade the foods with same efficiency. If schools lost the commodities and lunch prices went up, a large number of the 25 million children receiving meals each day would either pay higher prices than they are now paying, receive inferior meals, or drop out of the program.

In addition to maintaining commodity support for the School Lunch Program, this section restores to the School commodity program flour, oil and shortening. The Department of Agriculture has withheld these commodities this entire school year while increasing shipment of them overseas. As a result, they are unavailable to schoolchildren for the first time in many years. Their loss has hurt local school districts that had facilities and employees intact to prepare foods from them, and the children who had been receiving them for years. Their loss has also been a factor in the increased prices paid this year by participating children. This section merely restores those cereal, shortening, and oil products which had previously been available to the schools.

COMMODITIES

Sec. 9.—This section continues the current practice of providing the bulk of the commodity assistance to the School Lunch Program in the form of food, not cash to purchase food. USDA and Nutrition Committee studies show the purchasing power advantage held by USDA. If assistance under this section were given to schools in cash and not commodities, the local school districts would be presented with an added fiscal burden, as purchasing the same foods as USDA would cost them more, thus driving up the costs to children and driving some from the program. Authorization for this practice ends this year.

Sec. 10.—This section makes a very minor addition to the National School Lunch Act, by excluding benefits of the school lunch program from computation of income under any Federal or State laws.

Sec. 11.—This section makes Puerto Rico eligible for the Special Milk Program.

SUMMER FEEDING

Sec. 12.—The summer food program is extended for two years with minor changes. The section places a ceiling on reimbursement rates that may be paid for meals served in especially needy institutions participating in the program, with a provision that this ceiling be adjusted annually in accordance with changes in the food away from home series of the Consumer Price Index. (This is the same adjustment formula used in the school food programs.

The ceiling for lunches served in needy institutions would be set at 80 cents, a level 9.5% above the 73 cent maximum set by USDA for last summer's program.

This section would also make the program available to short-term residential camps for low-income youngsters. When Rep. Charles Vanik (D.-Ohio) sponsored the legislation that created this program in 1968, he stated on the House floor that the intent of the legislation was to include such camps, but USDA has arbitrarily barred their participation by regulation.

SPECIAL FOOD SERVICE PROGRAM

Sec. 13.—This section of the bill would bring the Special Food Service Program for children (under which reimbursements are provided to non-residential child care institutions for meals served to attending children) into accordance with the same procedures and requirements that apply in the school lunch and breakfast programs. As in the school programs, participating institutions would be required to collect income statements from parents or guardians, and institutions would then receive the same per meal reimbursements, and the same per meal amounts of commodities, as are provided the schools in the school food programs.

This should lead to more effective and efficient operation of the program. At present, States are hindered by an archaic apportionment formula under which some States never have enough money and other States return funds unspent each year. In addition, at present some poor children are barred from the program solely because their day-care center is not located in a hard-core poverty area, while non-poor children within a poverty area receive as much reimbursement per meal as poor children. The procedures of the school food programs, which have proven effective for providing reimbursement on behalf of each participating child in accordance with the income of the child's family, would resolve these inequities and greatly strengthen and regularize program operations.

Reimbursements would continue to be available for the serving of suppers and meal supplements in that small percentage of participating institutions which provide these meals.

This section also makes the special food service program available for the first time to licensed, non-profit family day care centers, which are currently excluded from the program solely on the basis of Agriculture Department regulations.

Sec. 14.—This section acknowledges the intent of Congress to make available the Special Food Service Program and the Summer Feeding Program to all eligible children. The Secretary of Agriculture is directed to devise a plan of information to the States, to educate them as to the availability of these programs.

NON-FOOD ASSISTANCE

Sec. 15.—This section directs the Secretary of Agriculture to make available and apportion among the States $5,000,000 for equipment assistance to the Special Food Service Program and the Summer Food Program. Both of these programs, according to administrators who have testified before the Select Committee on Nutrition and Human Needs, and according to GAO, have suffered from lack of money for equipment. This section for the first time mandates a certain amount of equipment money for these two programs, and should assist them in providing clean and professional nutrition delivery programs.

SPECIAL SUPPLEMENTAL FOOD PROGRAM

SEC. 16.—This section extends and expands the program known as WIC (Women, Infants, and Children).

This program provides high-protein diet supplementation to low income women, infants, and children found to be at nutritional risk. The idea behind the original pilot legislation was to reach people during those critical periods when nutrition intervention would do the most good for them and therefore give the taxpayers the best return on their tax dollar.

This section makes WIC a permanent program. The response from the States warrants no less of a commitment.

This section attempts to correct many of the problems which have been discovered during this initial implementation period, and reflects extensive input from WIC administrators and participants which has been received by the staff of the Select Committee on Nutrition and Human Needs.

The medical evaluation component has been revised so that some of the problems of the early evaluation which have been discovered and discussed by the GAO can be corrected. The new evaluation component requires the Secretary to meet with a group of experts in the field of maternal, fetal, and infant nutrition. This group will have studied the original evaluation, taken a look at existing health and nutrition assessment methods, and developed a plan for implementing a specific evaluation geared to the WIC program, and/or a plan for using WIC data in other assessments, if either is feasible. This way, there is a potentiality for using the acceptable data gathered in the first evaluation and devising new methods. It is hoped a smaller in-depth study over a longer period if time will be possible to determine the impact of this diet supplementation.

This section also increases the percent of total funds available for administrative expenses and includes within that increased monies for nutrition education and outreach. The need for both an increase in administrative funds and provisions for nutrition education have been emphasized repeatedly by WIC administrators as necessary to make the program work effectively.

The components of administrative expenses are clearly spelled out; start-up costs are allowed in sufficient amounts to allow any program to get itself off the ground; women are allowed to continue to receive food for six months after birth, as opposed to six weeks, in order to allow them a longer period to catch up from nutritional depletion resulting from childbirth; children are allowed to participate through five years of age, not four, in an attempt to expand slightly their nutritional coverage during the preschool years; the food package is made flexible enough to cover certain medical needs or cultural eating patterns; advance payments to the States are required; and, a National Advisory Council is established for maternal, fetal, and infant nutrition.

This Council will be composed of administrators, health professionals, nutritionists, State and local WIC directors, and WIC participants. They will meet with the Secretary of Agriculture on a regular basis as an advisory panel, and issue a report once a year. This report will include the results of their oversight, and recommendations for the improvement of maternal, fetal, and infant nutrition programs.

[S. 882, 94th Cong., 1st sess.]

A BILL To extend and revise the special supplemental food program

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 17 of the Child Nutrition Act of 1966 is revised to read as follows:

"(a) The Congress finds that substantial numbers of pregnant women, infants, and young children are at special risk in respect to their physical and mental health by reason of poor or inadequate nutrition and/or health care. Therefore, it is the intent of this Act to provide supplemental nutritious food as an adjunct to good health care during these critical times of growth and development in order to prevent the occurrence of these health problems.

"(b) For each fiscal year the Secretary shall make cash grants to the health department or comparable agency of each State; Indian tribe, band, or group recognized by the Department of the Interior; or the Indian Health Service of the Department of Health, Education, and Welfare for the purpose of providing funds to local health or welfare agencies or private nonprofit agencies of such State; Indian tribe, band, or group recognized by the Department of the Interior;

or the Indian Health Service of the Department of Health, Education, and Welfare, serving local health or welfare needs to enable such agencies to carry out health and nutrition programs under which supplemental foods will be made available to all pregnant or lactating women and to infants determined by competent professionals to be nutritional risks because of inadequate nutrition and inadequate income, in order to improve their health status. Such program shall be carried out without regard to whether a food stamp program or supplemental food program or a direct food distribution program is in effect in such area.

"(c) In order to carry out the program provided for under subsection (b) of this section during each fiscal year, the Secretary shall use $300,000,000 out of funds appropriated by section 32 of the Act of August 24, 1935 (7 U.S.C. 612(c)). In order to carry out such program during each fiscal year, there is authorized to be appropriated the sum of $300,000,000, but in the event that such sum has not been appropriated for such purpose by July 1 of each fiscal year, the Secretary shall use $300,000,000, or, if any amount has been appropriated for such program, the difference, if any between the amount directly appropriated for such purpose and $300,000,000, out of funds appropriated by section 32 of the Act of August 24, 1935 (7 U.S.C. 612(c)). Any funds expended from such section 32 to carry out the provisions of subsection (a) of this section shall be reimbursed out of any supplemental appropriation hereafter enacted for the purpose of carrying out the provisions of such subsection, and such reimbursements shall be deposited into the fund established pursuant to such section 32, to be available for the purpose.

"(d) Whenever any program is carried out by the Secretary under authority of this section through any State or local or nonprofit agency, he is authorized to pay administrative costs not to exceed 25 percentum of the project program funds provided to each State under the authority of this section: *Provided*, That each health department or comparable agency of each State, Indian tribe, band, or group recognized by the Department of Interior, or the Indian Health Service of the Department of Health, Education, and Welfare receiving funds from the Secretary under this section shall, by January 1, each year, for approval by him as a prerequisite to receipt of funds under this section, submit a description of the manner in which administrative funds shall be spent, including, but not limited to, a description of the manner in which nutrition education and outreach services will be provided. Outreach funds shall be used to search out those most in needed of the benefits of this program. The Secretary shall take affirmative action to insure that programs begin in areas most in need of special supplemental food: *Provided further*, That during the first six months of any program, or until the program reaches its projected caseload level, whichever comes first the Secretary shall pay those administrative costs necessary to successfully commence the program.

"(e) The eligibility of persons to participate in the program provided for under subsection (a) of this section shall be determined by competent professional authority. Participants shall be residents or members of populations served by clinics or other health facilities determined to have significant numbers of infants and pregnant and lacating women at nutritional risk.

"(f) State or local agencies or groups carrying out any program under this section shall maintain adequate medical records on the participants assisted to enable the Secretary to determine and evaluate the benefits of the nutritional assistance provided under this section. The Secretary shall convene and advisory committee made up of representatives from the Maternal and Child Health Division of the Department of Health, Education, and Welfare, the Center for Disease Control, the Association of State and Territorial Public Health Nutrition Directors, the American Academy of Pediatrics, the National Academy of Science—National Research Council, the American Dietetic Association, the American Public Healh Association, the Public Health Service and others as the Secretary deems appropriate. This committee shall study the methods available to successfully and economically evaluate in part or in total, the health benefits of the special supplemental food program. Their study shall consider the usefulness of the medical data collected and the methodology used by the Department of Agriculture and the Comptroller General of the United States prior to March 30, 1975. Their study shall also include the applicability to an evaluation of the special supplemental food program of Federal and State health, welfare, and nutrition assessment and surveillance projects currently being conducted. The purpose of this advisory committee shall be to determine and recommend in detail how, using accepted scientific methods, the health benefits of the special supplemental food program may best be evaluated and assessed. This advisory committee shall report to the Secretary no later than December 1, 1975. The Secretary shall submit to Congress his recommendations based on this study no later than March 1, 1976.

(g) Definition of terms used in this section—

"(1) 'Pregnant and lactating women' when used in connection with the term 'at nutritional risk' includes mothers up to six months post partum from low-income populations who demonstrate one or more of the following characteristics: known inadequate nutritional patterns, unacceptably high incidence of anemia, high prematurity rates, or inadequate patterns of growth (underweight, obesity, or stunting). Such term (when used in connection with the term 'at nutritional risk') also includes low-income individuals who have a history of high-risk pregnancy as evidenced by abortion, premature birth, or severe anemia.

"(2) 'Infants' when used in connection with the term 'at nutritional risk' means children under five years of age who are in low-income populations which have shown a deficient pattern of growth, by minimally acceptable standards, as reflected by an excess number of children in the lower percentiles of height and weight. Such term, when used in connection with 'at nutritional risk', may also include children under five years of age who (A) are in the parameter of nutritional anemia, or (B) are from low-income populations where nutritional studies have shown inadequate infant diets. Any child participating in a non-residential child care program shall not be excluded from participating in the WIC program.

"(3) 'Supplemental foods' shall mean those foods containing nutrients known to be lacking in the diets of populations at nutritional risks and, in particular, those foods and food products containing high-quality protein, iron, calcium, vitamin A, and vitamin C. Such term may also include (at the discretion of the Secretary) any commercially formulated preparation specifically designed for infants or mothers. The contents of the food package shall be made available in such a manner as to provide flexibility based on medical necessity or cultural eating patterns.

"(4) 'Competent professional authority' includes physicians, nutritionists, registered nurses, dietitians, or State or local medically trained health officials as being competent professionally to evaluate nutritional risk.

"(5) 'Administrative costs' include costs for outreach, referral, operation, monitoring, nutrition education, general administration, startup, clinic, and administration of the State WIC office.

"(h)(1) There is hereby established a council to be known as the National Advisory Council on Maternal, Infant, and Fetal Nutrition (hereinafter in this section referred to as the 'Council') which shall be composed of fifteen members appointed by the Secretary. One member shall be a State director of the special supplemental food program, one member shall be a State fiscal director for the special supplemental food program (or the equivalent thereof), one member shall be a State health officer (or equivalent thereof), one member shall be a project director of a special supplemental food program in an urban area, one member shall be a project director of a special supplemental food program in a rural area, one member shall be a State public health nutrition director (or equivalent thereof), two members shall be parent recipients of the special supplemental food program, one member shall be a pediatrician, one member shall be an obstetrician, one member shall be a person involved at the retail sales level of food in the special supplemental food program, two members shall be officers or employees of the Department of Health, Education, and Welfare, specially qualified to serve on the Council because of their education, training, experience, and knowledge in matters relating to maternal, infant, and fetal nutrition, and two members shall be officers or employees of the Department of Agriculture, specially qualified because of their education, training, experience, and knowledge in matters relating to maternal, infant, and fetal nutrition.

"(2) The eleven members of the Council appointed from outside the Department of Agriculture shall be appointed for terms of three years, except that the nine members first appointed to the Council shall be appointed as follows: Three members shall be appointed for terms of three years, three members shall be appointed for terms of two years, and three members shall be appointed for terms of one year. Thereafter all appointments shall be for a term of three years, except that a person appointed to fill an unexpired term shall serve only for the remainder of such term. Members appointed from the Department of Agriculture shall serve at the pleasure of the Secretary.

"(3) The Secretary shall designate one of the members to serve as Chairman and one to serve as Vice Chairman of the Council.

"(4) The Council shall meet at the call of the Chairman but shall meet at least once a year.

"(5) Eight members shall constitute a quorum and a vacancy on the Council shall not affect its powers.

"(6) It shall be the function of the Council to make a continuing study of the operation of the special supplemental food program and any related Act under which diet supplementation is provided to women, infants, and children, with a view to determining how such programs may be improved. The Council shall submit to the President and the Congress annually a written report of the results of its study together with such recommendations for administrative and legislative changes as it deems appropriate.

"(7) The Secretary shall provide the Council with such technical and other assistance, including secretarial and clerical assistance, as may be required to carry out its functions under this Act.

"(8) Members of the Council shall serve without compensation but shall receive reimbursement for necessary travel and subsistence expenses incurred by them in the performance of the duties of the Council.

"(i) On September 1, 1975, the Secretary shall forward to each State an advance payment for the month of September pursuant to subsection (c) of this section which shall not be less than the total payment made to such State for the month of July 1975, pursuant to subsection (c) of this section and the Secretary shall forward any remaining payment due pursuant to subsection (c) of this section for the month of September 1975 no longer than thirty days following the receipt of valid claims. Thereafter, on the first day of each month the Secretary shall, in a similar manner, forward an advance monthly payment to each State pursuant to subsection (c) of this section which shall not be less than the total payment made to such State in the second preceeding month pursuant to subsection (c) of this section and the Secretary shall forward any remaining payment due pursuant to subsection (c) of this section for such month no later than 30 days following receipt of valid claims: *Provided however,* That any funds unspent by a State shall be returned to the Secretary. On each July 1 and on each January 1 the Secretary shall publish in the Federal Register the amount of advance payments to be made to each State pursuant to this subsection for that month.".

STAFF EXPLANATION OF S. 882

S. 882 would amend the Child Nutrition Act of 1966 so as to continue on a permanent basis the special supplemental food service program for women, infants, and children (WIC). Under existing law, the program will terminate on June 30, 1975.

The major amendments include—

(1) An increase in the funding level for each fiscal year from $100,000,000 to $300,000,000.

(2) An increase in the amount the Secretary is authorized to pay States for administrative costs from 10 to 25 percent of the funds provided under the program. Administrative costs are defined as including costs for outreach.

(3) The establishment of a National Advisory Council on Maternal, Infant, and Fetal Nutrition. The Council is to make a continuing study of the WIC program and programs under related Acts providing diet supplementation to women, infants, and children with a view to determining how the programs may be improved.

(4) A requirement that advance monthly payments be made to each State.

[S. 891, 94th Cong., 1st sess.]

A BILL To amend the National School Lunch Act and the Child Nutrition Act of 1966 for the purpose of authorizing additional appropriations for programs authorized by those Acts

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 13(a)(1) of the National School Lunch Act (42 U.S.C. 1761(a)(1)) is amended by striking out "and June 30, 1975," and inserting in lieu thereof "June 30, 1975, June 30, 1976, and September 30, 1977,".

SEC. 2. Section 4(a) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(a)) is amended by striking out "and June 30, 1975," in the first sentence and inserting in lieu thereof "June 30, 1975, June 30, 1976, and September 30, 1977,".

SEC. 3. Section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) is amended—

(1) by striking out "and June 30, 1975," in the first sentence of subsection (a) and inserting in lieu thereof "June 30, 1975, June 30, 1976, and September 30, 1977,";

(2) by striking out "three-year" in the second sentence of subsection (a) and inserting in lieu thereof "five-year"; and

(3) by striking out the third sentence in subsection (b) and inserting in lieu thereof the following: "In order to carry out such program during the fiscal years ending June 30, 1975, June 30, 1976, and September 30, 1977, there is authorized to be appropriated the sum of $100,000,000 for each such fiscal year, but in event that such sum has not been appropriated for such purpose by August 1, 1974, August 1, 1975, or August 1, 1976, respectively, the Secretary shall use $100,000,000, or, if any amount has been appropriated for such program, the difference, if any, between the amount directly appropriated for such purpose during the fiscal year concerned and $100,000,000, out of funds appropriated by section 32 of the Act of August 24, 1975 (7 U.S.C. 612c).".

STAFF EXPLANATION OF S. 891

S. 891 would amend the National School Lunch Act and the Child Nutrition Act of 1966. The bill would—

(1) Continue the special food service program for children through the fiscal year ending September 30, 1977.

(2) Continue the school breakfast program through the fiscal year ending September 30, 1977.

(3) Continue the special supplemental food program for women, infants, and children (WIC) through the fiscal year ending September 30, 1977.

In the absence of new legislation, all three programs will terminate on June 30, 1975.

[S. 894, 94th Cong., 1st sess.]

A BILL To establish a universal food service program for children

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Child Nutrition Act of 1975".

FINDING AND DECLARATION OF POLICY

SEC. 2. (a) The Congress hereby finds that (1) the proper nutrition of the Nation's children is a matter of highest priority, (2) there is a demonstrated relationship between the intake of food and good nutrition and the capacity of children to develop and learn, (3) the teaching of the principles of good nutrition in schools has been seriously inadequate, as evidenced by the existence of poor or less than adequate diets at all levels of family income (4) any procedure or "means test" to determine the eligibility of a child for a free or reduced-price meal is degrading and injurious both to the child and his parents, and (5) the national school lunch and related child nutrition programs, while making significant contributions in the field of applied nutrition research, are not, as presently constituted, capable of achieving the goal of good nutrition for all children.

(b) It is hereby declared to be the policy of Congress to assure adequate nutrition offerings for the Nation's children, to encourage the teaching of the principles of good nutrition as an integral part of food service programs for children, and to strengthen State and local administration of food service programs for children. It is further declared to be the policy of Congress that food service programs conducted under this Act be available to all children on the same basis without singling out or identifying certain children as different from their classmates.

ESTABLISHMENT OF THE UNIVERSAL FOOD SERVICE PROGRAM FOR CHILDREN

SEC. 3. The Secretary of Agriculture (hereinafter referred to as the "Secretary") is authorized to formulate and administer cooperatively with the State educational agencies, a universal food service program for children in schools of high school grade and under and in service institutions conducting programs for the benefit of all children. Such a program shall be conducted as an integral part of overall educational efforts to improve the knowledge of the principles of good nutrition among participating children. To the fullest extent practicable, the Secretary shall utilize the available services and expertise of other Federal departments, State educational agencies, and private organizations concerned with nutrition and nutrition education in the formulation of program requirements and regulations. The program shall be so designed as to provide each child an equal opportunity to participate on the same basis as all other children with no discrimination as to time or place of serving or types and amounts of foods offered.

APPROPRIATIONS AUTHORIZED

SEC. 4. For each fiscal year there are hereby authorized to be appropriated, such sums as may be necessary to enable the Secretary to carry out the provisions of this Act. Such appropriations for any fiscal year are authorized to be made a year in advance of the fiscal year in which the funds will become available for disbursement to the States. Notwithstanding any other provision of law, any funds appropriated to carry out the provisions of this Act shall remain available for the purposes of the Act until expended.

NUTRITIONAL AND OTHER PROGRAM REQUIREMENTS

SEC. 5. (a) Meals and additional food services provided by schools and service institutions participating in programs under this Act shall meet minimum nutritional requirements prescribed by the Secretary on the basis of tested nutritional research.

(b) Food service programs operated under this Act shall be operated on a nonprofit basis under the supervision of the governing authorities of participating schools or service institutions. Participating schools and service institutions shall offer at least one meal a day without charge to all children in attendance; such meal shall consist of a combination of foods meeting a minimum of one-third of the child's daily nutritional requirements. Additional meals and/or food services before, during, or after the schoolday may be offered to all children in attendance based on economic and/or nutritional needs.

(c) No affidavit or certification shall be required of any parent or guardian in order that a child take part in the food service program operated by the school or service institution.

(d) Additional foods which make a nutritional contribution may be offered for sale to children during the periods of food service conducted under programs authorized under this Act to the extent such offerings are necessary to meet nutritional needs of pupils in participating schools: *Provided, however*, That the sale of such additional foods shall be under the management and control of the food service department of the school and proceeds from such sales shall accrue to said department.

The sale of such additional foods offered on a regular basis during the regular school day shall be restricted to those items recognized as making a contribution to, or permitted by the school to be served as a part of, a meal meeting the nutritional requirements prescribed by the Secretary.

(e) State agencies shall determine the eligibility of applicant schools and service institutions to participate in programs authorized under this Act and shall determine their need for assistance to carry out the purposes of this Act and shall establish controls to insure effective use of funds.

DIRECT FOOD ASSISTANCE

SEC. 6. (a) Each school or service institution participating in programs authorized under this Act shall, insofar as practicable, utilize in its program foods donated by the Secretary. Foods available under section 416 of the Agricultural Act of 1949 (63 Stat. 1058), as amended, or purchased under section 32 of the Act of August 24, 1935 (49 Stat. 774), as amended, or section 709 of the Food and Agriculture Act of 1965 (79 Stat. 1212), may be donated by the Secretary for schools and service institutions for utilization in their feeding programs under this Act (42 U.S.C. 1777).

(b) The Secretary is authorized to utilize annually not to exceed $200,000,000 of funds available pursuant to section 32 of the Act of August 24, 1935 (49 Stat. 774), as amended, for the purchase and distribution of especially nutritious agricultural commodities and other food to assist participating schools and service institutions in meeting the nutritional requirements under this Act. Any funds unexpended from funds made available under this section may be used by the Secretary to assist in carrying out the purposes of this Act.

(c) The distribution of funds under this section shall be based on the ratio of the number of meals served in each State in the preceding fiscal year to the total number of meals served in all States in the preceding fiscal year: *Provided*, That in any State in which the Secretary directly administers school food service programs in the nonprofit private schools of such State, the Secretary shall withhold from the funds to be paid to such State under the provisions of this subsection an amount that bears the same ratio to the total of such payment as the number of meals served in nonprofit private schools in the preceding fiscal years bears to the total of such meals served in all schools served in the State during the preceding year under this Act or under the School Lunch and Child Nutrition Act while such Acts were in effect.

APPORTIONMENTS AND PAYMENTS TO STATES

SEC. 7. (a) The apportionment to each State shall be determined on the basis of two factors: (1) the number of children in average daily attendance during the preceding year in schools and service institutions eligible under the provisions of this Act, and (2) the rate of Federal assistance per child per year. The rate of Federal assistance per child per year shall be $ per child for all States. The amount of apportionment to any State for any fiscal year shall be determined by multiplying factors (1) and (2).

(b) Funds made available to each State under this apportionment shall be paid to such State by the Secretary on the basis of the level of program participation achieved by the State.

(c) The Secretary shall certify to the Secretary of the Treasury from time to time the amounts to be paid to any State under the provisions of this Act and the time or times such amounts are to be paid, and the Secretary of the Treasury shall pay to the State at the time or times fixed by the Secretary the amounts so certified.

(d) The rate of Federal assistance under subsection (a)(2) of this section shall be adjusted annually to reflect changes in the cost of operating the program under this Act as indicated by the change in the series for food away from home of the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor.

USE OF FUNDS

SEC. 8. (a) Funds paid to any State for any fiscal year shall be disbursed to schools and service institutions to assist them in financing the operating costs of their food service program including the costs of obtaining, preparing, and serving food.

(b) Such disbursements may be made by State educational agencies at least monthly and may be made not to exceed ten days prior to the beginning of each month of operations. Periodic adjustments in the amounts of funds so disbursed shall be made to conform with the provisions of section 9 of this Act.

STATE MATCHING

SEC. 9. (a) Expenditures from State or local tax funds, other than for the purchase or acquisition of land or for the cost of construction or alteration of buildings, shall constitute at least 15 per centum of total operating costs of the program.

(b) The assurance of proper nutrition for our children is a public concern. The Congress urges that, whenever possible, assistance be provided from all available State and local sources to children in nonprofit private schools and to children in nonpublic, nonprofit service institutions so that they may receive the full benefits of the programs authorized under this Act. Nevertheless, in situations where such assistance is not forthcoming in adequate amounts, such schools and institutions may require of parents a registration fee to help finance the operation of food service programs.

NONFOOD ASSISTANCE AUTHORIZATION

SEC. 10. (a) There is hereby authorized to be appropriated for the first fiscal year of operations under this Act and for any subsequent fiscal year not to exceed $100,000,000 to enable the Secretary to formulate and carry out a program to assist the States through grants-in-aid and other means to supply schools and service institutions with equipment, other than land or buildings, for the storage, preparation, and transportation, and serving of food to enable such schools to establish or expand food service programs for children.

(b)(1) The Secretary shall apportion 50 per centum of funds appropriated for the purposes of this section among the States on the basis of the ratio between the number of children enrolled in schools without a food service in each State and the number of children enrolled in schools without a food service in all States.

(2) The remainder of the funds shall be apportioned among the States on the basis of the ratio between the number of children enrolled in schools in each State and the number of children enrolled in schools in all States.

(c) For the sixth and each subsequent year of operation under this Act, all of the funds appropriated for the purposes of this section shall be apportioned in accordance with the provisions of subsection (b)(2) above.

NUTRITIONAL TRAINING AND EDUCATION

SEC. 11. (a) The Secretary of Agriculture (hereinafter referred to as the "Secretary") is authorized to formulate the basic elements of a program to provide for (1) the nutritional training of food service supervisors and employees; and (2) the conduct of nutrition education activities as an integral part of food service operations. Such a program is to be coordinated, at the State level, with other nutrition education measures conducted by education and health agencies.

(b) For the fiscal year 1977, the Secretary is authorized to use not to exceed $2,000,000 out of funds made available for the conduct of school lunch and child nutrition programs for the purpose of developing a nutritional training and education program as outlined under (a) above. From the funds made available under this subsection, the Secretary shall advance to each State educational agency an amount not to exceed $25,000 for the fiscal year 1976. The amounts so advanced shall be for the purpose of the employment of a nutrition education specialist in each State educational agency in order to provide for the planning and development of the nutritional training and education program authorized under this Act.

(c) For the fiscal year 1978 and each subsequent fiscal year, grants to the States for the conduct of a nutritional training and education program for children shall be based on a rate of 50 cents for each child enrolled in schools or service institutions within the State. Enrollment data so used will be the latest available as certified by the Office of Education of the Department of Health, Education, and Welfare.

(d) The funds made available under subsection (c) of this section may be used for (1) the planning and conduct of nutritional training programs for food service supervisors and employees; (2) coordinating and promoting nutrition education activities in local school districts during and as a part of food service operations; (3) grants to public and private educational institutions for the conduct of national training courses for food service supervisors and employees; and (4) related purposes including the preparation of visual aids and other informational materials.

There is hereby authorized to be appropriated the funds necessary to carry out the purpose of this section.

CENTRALIZATION OF FUNDING AND ADMINISTRATION

SEC. 12. Authority for the conduct and supervision of Federal programs to assist schools and service institutions in providing food service and nutrition education programs for children is assigned to the Department of Agriculture. Other Federal agencies administering programs under which funds are to be provided to schools and service institutions for such assistance shall transfer such funds to the Department of Agriculture for distribution through the administrative channels and in accordance with the standards established under this Act.

FEDERAL ADMINISTRATIVE EXPENSES

SEC. 13. There are hereby authorized to be appropriated for any fiscal year such sums as may be necessary to the Secretary for his administrative expenses under this Act.

AGREEMENTS WITH STATES

SEC. 14. The Secretary shall incorporate, in his agreements with the State educational agencies, the express requirements under this Act insofar as they may be applicable and such other provisions as in his opinion are reasonably necessary or appropriate to effectuate the purposes of this Act.

STATE PLANS OF OPERATION

SEC. 15. State educational agencies shall submit to the Secretary plans of operation at least three months prior to the first fiscal year of operations under this Act. Such plans shall include, but not be limited to, the following:

(1) Proposed State and local funding;

(2) Plans to extend food service to all eligible schools;

(3) Plans for a nutritional training and education program to be conducted as a part of food service operations;

(4) The types and kinds of food service to be offered to children attending participating schools and service institutions, and procedures and methods to be employed to assure high quality, nutritious, and appetizing meals for participating children;

(5) Plans for supervision and audit of program operations. Such plans of operation must be approved by the Secretary prior to advance of funds to State educational agencies;

(6) Plans for conducting training programs for food service personnel;

(7) Plans for the conducting of experimental or demonstration projects.

STATE ADMINISTRATIVE EXPENSES

SEC. 16. For each fiscal year beginning with the fiscal year 1975, an amount not to exceed 1 per centum of aggregated payments made to such agencies by the Secretary under this Act is authorized to be approved to assist in the administration and supervision of the programs authorized under this Act: *Provided*, That not less than 60 per centum of any funds used under this authority shall be directed to the employment of field nutrition supervisors and auditors who have a certificate of training in the subject areas or the equivalent in field supervisory or auditing experience: *Provided further*, That the funds expended under this section shall be used to supplement the existing level of administrative support services and expenditures therefor for the child nutrition programs in each State.

LOCAL COSTS OF SUPERVISION

SEC. 17. The Secretary is authorized to make grants to State educational agencies, out of amounts appropriated by Congress for the purposes of this section, to assist in the supervision of local program operations. The grant to each State is to be determined on the basis of $350 for each school attendance unit or service institution participating in the program. Any person employed from funds made available under this section shall be required to have an appropriate certificate of training.

ASSISTANCE TO NONPROFIT PRIVATE SCHOOLS

SEC. 18. (a) Federal assistance for food service to nonprofit private schools shall be provided by the State educational agency either in the form of direct payments or by payments made through the public school system in which the nonprofit private school is geographically located.

(b) In the event that the State educational agency is precluded by law, based on a formal opinion of the attorney general of the State, from making direct or indirect payments to such schools, the Secretary is authorized to withhold funds from the apportionments to such States for the purpose of making direct payments to such schools. Such withholding shall be based on the rate of Federal assistance per child per year for such States as determined under section 7 of this Act and the number of children attending nonprofit private schools in such State.

PILOT OPERATIONS

SEC. 19. In the first full fiscal year following the passage of this Act, the Secretary is directed to begin pilot operations in at least ten school systems, using authorities and funds available under Public Law 91-248, to test and develop the most effective techniques and procedures for effectuating the provisions of this Act and for the purpose of developing appropriate estimates of participation and costs.

ACCOUNTS, RECORDS, AND REPORTS

SEC. 20. (a) States, State educational agencies, schools, and service institutions participating in programs under this Act shall keep such accounts and records as may be necessary to enable the Secretary to determine whether there has been compliance under this Act and the regulations thereunder. Such accounts and records shall at all times be available for inspection and audit by representatives of the Secretary and shall be preserved for such period of time, not in excess of three years, as the Secretary determines to be necessary.

(b) State educational agencies shall provide periodic reports on expenditures of Federal funds, program participation, program costs, and so forth, in such form as the Secretary may prescribe.

EVALUATION

SEC. 21. The Secretary shall provide for the careful and systematic evaluation of the programs conducted under this Act, directly or by contracting for independent evaluations, with a view to measuring specific benefits, as far as practicable, and providing information needed to assess the effectiveness of program procedures, policies, and methods of operation.

NATIONAL ADVISORY COUNCIL

SEC. 22. (a) There is hereby established a council to be known as the National Advisory Council on Child Nutrition (hereinafter in this section referred to as the "Council") which shall be composed of nineteen members appointed by the Secretary. One member shall be a school administrator, one member shall be a person engaged in child welfare work, one member shall be a person engaged in vocational education work, one member shall be a nutrition expert, one member shall be a State superintendent of schools (or the equivalent thereof), one member shall be a State school food service director (or the equivalent thereof), one member shall be a person serving on a school board, one member shall be a classroom teacher, one member shall be a supervisor of a school lunch program in a school system in an urban area (or the equivalent thereof); one member shall be a supervisor of a school lunch program in a rural area; two members shall be parents of school age children; two members shall be secondary school students participating in the school lunch program, and four members shall be officers or employees of the Department of Agriculture specially qualified to serve on the Council because of their education, training, experience, and knowledge in matters relating to child food programs.

(b) The fifteen members of the Council appointed from outside the Department of Agriculture shall be appointed for terms of three years, except that such members first appointed to the Council shall be appointed as follows: Five members shall be appointed for terms of three years, five members shall be appointed for terms of two years, and five members shall be appointed for terms of one year; thereafter all appointments shall be for a term of three years, except that a person appointed to fill an unexpired term shall serve only for the remainder of such term. Members appointed from the Department of Agriculture shall serve at the pleasure of the Secretary.

(c) The Secretary shall designate one of the members to serve as chairman, and one to serve as vice chairman of the Council.

(d) The Council shall met at the call of the chairman but shall meet at least once a year.

(e) Ten members shall constitute a quorum and a vacancy on the Council shall not affect its powers.

(f) It shall be the function of the Council to make a continuing study of the operation of programs carried out under this Act with a view to determining how such programs may be improved. The Council shall submit to the President and Congress annually a written report of the results of its study together with such recommendations for administrative and legislative changes as it deems appropriate. For the purpose of obtaining information incident to making the aforesaid recommendations, the Council, by vote of its members present may request the appearance, at any of its meetings, of representatives from governmental or nongovernmental agencies or organizations concerned with the nutrition and welfare of children.

(g) The Secretary shall provide the Council with such technical and other assistance, including secretarial and clerical assistance, as may be required to carry out its functions under this Act.

(h) Members of the Council shall serve without compensation but shall receive reimbursement for necessary travel and subsistence expenses incurred by them in the performance of the duties of the Council.

DEFINITIONS FOR THE PURPOSE OF THIS ACT

SEC. 23. (a) "State" means any of the fifty States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

(b) "State education agency' means the State Board of Education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if there is no such office or agency, an officer or agency designated by the Governor or by State law.

(c) "Nonprofit private school" means any private school exempt from income tax under section 501(c)(3) of the Internal Revenue Code of 1954.

(d) "Service institution" means private, nonprofit institutions which provide day care or other children services. Children services includes public and private nonprofit institutions providing day care or other child services for handicapped children.

(e) "Operating costs" means the cost of food and nutrition services administration and supervision, labor, supplies, acquisition, storage, preparation, and service of food used in the food service program, utilities, maintenance, repair, and replacement of equipment. This term does not include the cost or value of land or acquisition, construction, or alteration of buildings. The term does not include any part of the general administrative and maintenance expenses for the total school program.

(f) "Universal food service program" means a program designed and operated to offer all children in group situations away from home at least one meal a day which meets at least one-third of the child's daily nutritional requirements. Additional meals and/or supplemental food services may be offered to all children in attendance based on economic and/or nutritional needs. All food service programs conducted under this Act would operate without charge to the child. The children to be covered under this Act include those attending schools of high school grade and under, and children in service institutions as defined in this Act. The term also includes a program of nutrition education as an integral part of food service operations to teach all children the basic principles of good nutrition and the importance or good nutrition to health.

EFFECTIVE DATE

SEC. 24. The effective date of this Act, other than section 19, which is effective with the passage of this Act, is one year subsequent to the fiscal year in which it is passed. Beginning with the first year of operation of this Act, the National School Lunch Act of 1946, as amended, and the Child Nutrition Act of 1966, as amended, are hereby superseded.

STAFF EXPLANATION OF S. 894

S. 894 would establish a universal food service program designed and operated to offer all children in group situations away from home at least one meal a day which meets at least one-third of the child's daily nutritional requirements. Additional meals or supplemental food services may be offered to all children in attendance based on economic or nutritional needs (or both). The major provisions of the bill—

(1) Provide for pilot programs in at least 10 school systems during the first fiscal year the bill is in effect.

(2) Establish a National Advisory Council on Child Nutrition, composed of 19 members from all phases of the school nutrition field, including State and local program administrators, parents and students, and representatives of the Department of Agriculture.

(3) Provide $200 million per year for agricultural commodity purchases to be distributed through the program, and $100 million for school food service equipment and facilities.

(4) Provide for establishment of child nutrition education services within each State education agency, as part of a Nationwide program to teach children about proper food and nutrition.

(5) Provide the mechanics for the universal free school lunch program itself, in all public schools and to the greatest extent possible in private, nonprofit schools as well.

Except for the pilot programs authorized during the first fiscal year the bill is in effect, the provisions of the bill would be effective one year after the fiscal year the bill is enacted.

Beginning with the first year of operation of the bill, the National School Lunch Act and the Child Nutrition Act of 1966 would be superseded.

[S. 1309, 94th Cong., 1st sess.]

A BILL To amend the National School Lunch Act, as amended, to assure that the school food service program is maintained as a nutrition service to children in public and private schools, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. After the first sentence of section 10 of the Child Nutrition Act of 1966 (42 U.S.C. 1779) delete the following sentence: "Such regulations shall not prohibit the sale of competitive food in food service facilities or areas during the time of service of food under this Act or the National School Lunch Act if the proceeds from the sales of such foods will inure to the benefit of the schools or of organizations of students approved by the schools."

SEC. 2. The Child Nutrition Act is further amended by adding at the end thereof a new section as follows:

"SEC. 18. (a) The Secretary shall make cash grants to the education department or comparable agency of each State for the purpose of providing funds to local school districts and private nonprofit school systems to enable schoolchildren within each State to participate in programs which increases their knowledge of the nutritional value of foods and the relationship of nutrition to human health.

"(b) In order to carry out the program provided for under subsection (a) there are authorized to be appropriated such sums as the Congress deems appropriate. These funds shall be apportioned among the States according to the number of people in that State in proportion to the number of people in all the States; however, no State shall receive less than 1 per centum of any funds appropriated by the Congress.

"(c) In the event that a State education or comparable agency is unable to distribute funds provided under this section to provide nonprofit schools, the Secretary shall disburse these funds directly to such school systems in proportion of the total enrollment in these schools to the total enrollment in all schools in the State, and the Secretary shall withhold these funds from the total apportionment allotted to the State agency.

"(d) The Secretary shall withhold not less than 1 per centum of any funds appropriated under this section and shall expend these funds to carry out research and development projects relevant to the purpose of this section, particularly to develop materials and techniques for the innovative presentation of nutritional information."

STAFF EXPLANATION OF S. 1309

S. 1309 would amend the Child Nutrition Act of 1966 to restore the authority of the Secretary of Agriculture to regulate the sale of competitive food products in schools and institutions participating in the programs authorized by that Act and the National School Lunch Act. The bill—

(1) Strikes the sentence in the Child Nutrition Act which provides that the regulations issued by the Secretary of Agriculture "shall not prohibit the sale of competitive foods in food service facilities or areas during the time of service of food" under programs authorized by the Child Nutrition Act or the National School Lunch Act if the proceeds from the sales of the competitive foods are realized by the schools or of organizations of students approved by the schools.

(2) Requires that the Secretary make cash grants to State education departments or comparable agencies for programs to teach school children the nutritional value of foods and the relationship of nutrition to human health.

Senator McGOVERN. Senator Dole, did you have anything you would like to add?

STATEMENT OF HON. ROBERT DOLE, A U.S. SENATOR FROM THE STATE OF KANSAS

Senator DOLE. Yes, Mr. Chairman, just very briefly. Of course, I welcome the hearings and am hopeful that after we have heard all of the many witnesses we can begin to shape a more equitable and responsibly funded nutrition program for children. I hope we will fully explore each of the alternative courses of action before us from the administration's block grant child nutrition approach to more comprehensive extensions of current child nutrition laws, such as the ones you have described, Mr. Chairman, and also Senator Humphrey's proposals, S. 850 and S. 894.

I am particularly interested in the experience over the past several months in my State of Kansas, where our schools have been receiving cash payments in lieu of commodities in the administration of school feeding programs. The initial experience strongly indicates that Kansas schools have been able to realize substantial cost savings in administration while continuing to make economical bulk purchases of a wide variety of nutritious food. In that vein I am particularly pleased that Mrs. Ione George, Director of School Food Services for the Kansas Department of Education, is here today to relate the Kansas experience with cash in lieu of commodities to the committee.

As a matter of fact, the Kansas experience has led me to request that my staff and the staffs of the Agricultural and Nutrition Committees explore the possibility of legislation which would extend present child nutrition programs for another year so that the Kansas experience can be fully tested. If the results of the first several months of cash in lieu of commodities are duplicated in future months, it may be advisable to make this alternative method of Federal assistance available to other States.

I am confident that if the desired nutritional results can be achieved in a manner that saves money and at the same time increases local control over food purchases, other jurisdictions would welcome this approach. I hope that we can pay specific attention to that. I would also like to acknowledge the presence of another witness from Kansas at today's hearings, Mr. Ed Scott of Parsons.

Mr. Scott represents a company which has devised equipment which may be of benefit to schools in meeting the full accounting requirements of the School Lunch Act, which go into effect this July, and I am certain that his testimony will be of interest, as will be the testimony of each of the other witnesses who appear here today.

I thank you, Mr. Chairman. I ask consent that the entire statement be included in the record.

Senator McGOVERN. Thank you, Senator Dole.

Without objection, the entire statement will be made part of the record.

I would also like to ask that my prepared statement, and also Senator Humphrey's and Senator Huddleston's statements be made a part of the record.

[The prepared statements of Senators McGovern, Dole, Humphrey, and Huddleston follow:]

STATEMENT OF HON. GEORGE McGOVERN, A U.S. SENATOR FROM THE STATE OF SOUTH DAKOTA

This morning we are going to consider legislation designed to strengthen all of our child nutrition programs.

This legislation is necessary for two reasons: first, the authorization for many of these programs expires at the end of this fiscal year; second, and much more importantly, the Administration has proposed a reduction, elimination, and cutback in these programs that would, if it became law, set back 30 years worth of progress in child nutrition.

I'm more than a little alarmed at this proposal, and confident that Congress will reject it totally.

I think, however, it accurately reflects Secretary Butz' dislike for feeding programs within the Department of Agriculture.

I had the opportunity several weeks ago to discuss this problem rather bluntly with Secretary Butz. Our discussion then, during a hearing of the Committee on Agriculture focused primarily on the food stamp program. Fortunately, the Congress has already put a resounding stop to the regulation signed by him to cut back the food stamp program.

I told Mr. Butz that I believed he had an essentially negative attitude toward his Department's feeding programs. He did not deny that; in fact, he said that he believed the growth of the Nation's feeding program somehow threatened the well being of his Department's basic agricultural programs.

Nothing could be further from the truth. In fact, the viability of the Department of Agriculture depends on a healthy mix of programs serving the farmer, the consumer, needy families and all the Nation's children.

Although the Secretary's attempt to cut back the food stamp program received more publicity, the proposed cutback in the child nutrition programs is an equally ill-advised and dangerous move.

I know we will soon hear from Undersecretary Feltner and other representatives of the Department, who, I assume will outline in detail the elements of the bloc grant proposal.

Most of us already know, however, what its devastating impact would be.

Eliminated entirely would be:

First, diet supplementation for 800,000 low-income women, infants, and children in 49 states;

Second, 2½ billion school lunches for children from middle-income homes;

Third, milk for tens of millions of young schoolchildren;

Fourth, all meals for any of the millions of children in day care centers and Head Start Centers, and

Fifth, all school breakfasts, taking food away from almost 2 million young children each day.

I'm not sure I understand the reasoning behind this move.

Apparently, the Administration has decided that with the budget under pressure from increased costs, including nearly $100 billion for the military, child nutrition is a proper place to make budget reductions. I think this is a mistaken notion of public needs. We cannot have a strong and healthy nation unless our children are strong and healthy.

I think it is necessary to insist on a safe future for our child nutrition programs. That is what S. 850 is intended to do.

The school children of America are our constituents, and we must continue to act in their best interests. And good nutrition is in their best interest.

The true test of programs like the school lunch, breakfast, special food services, and WIC programs is not how well they function when the economy is riding high, but how well they function when the economy is undergoing difficulties, and the people need their benefits the most.

I and the co-sponsors of S. 850 believe we need these programs more now than ever. Remembering the food stamp vote, and taking a look at my mail, I've got a notion we will succeed once again in managing our latest crisis in child nutrition.

What makes this attempt to eliminate and cut back child nutrition particularly foolhardy is that it comes at a time when these programs, tried and proven, could be a real help to the people of this country, without a great increase in cost.

At a time when food costs are rising over 15 percent per year, when unemployment is hitting recordbreaking numbers, when double digit inflation is bewildering almost everyone, when the farm economy is in trouble, and when local economies need a boost, the Federal nutrition programs are in a unique position to be used to help, not to hurt, our people.

S. 850 is an attempt to help continue, improve, and modestly expand these programs.

In brief, S. 850:

Extends the school breakfast program, which I hope will soon begin to enjoy greater participation.

Extends and improves the Head Start Nutrition Program, the Day Care Nutrition Program, the Summer Feeding Program primarily by adding many of the provisions which have helped the School Lunch Program prosper.

Extends and expands the WIC (Women, Infants, and Children) Program, which has developed truly phenomenal support in our communities.

Extends and improves the distribution of commodities to the School Lunch Program.

Extends, for the first time, eligibility for the School Lunch Program to children in orphanages, homes for the mentally retarded, etc., so that children who normally would have available to them a school lunch will have at least a comparable meal, no matter what their circumstances may be.

In addition, I have introduced 2 amendments to S. 850.

One has already passed the House by voice vote. It would mandate that all schools at least offer the reduced price lunch program to their students. Presently, whether or not the states offer this program is optional.

The reduced price lunch program is available to children from lower-middle income homes, children ineligible to receive a free lunch, but who are hard hit by increased school lunch costs. It is these children we are losing by the hundreds of thousands from the program. I think we all agree that they deserve an equal opportunity to receive a nutritious noon meal.

Another amendment to S. 850 I have introduced has two parts.

The first part goes slightly further in expanding the summer food program than does S. 850.

The section in S. 850 is a good one, but was written in such a way as to expedite the writing of guidelines and regulations for this summer. Since its drafting, the summer program has been extended through this summer, so we now have the opportunity to write a more comprehensive summer food section. This new section attempts to modify the summer program to meet most of the recommendations made in a recent GAO Report.

The second part of this amendment directs the Department to do a study of the staffing needs of the states in light of the changes involved in S. 850. I think we have an obligation to develop, fund and train staff according to the responsibilities we have placed on them. A more detailed analysis of these two amendments will be inserted into the record of this hearing.

Finally, before beginning the hearing, I'd like to introduce for the Record two Nutrition Committee prints which I am releasing today.

I have found it of invaluable assistance to poll the administrators of the nutrition programs to check on the shape their programs are in, to receive their recommendations for legislation, and to organize in one place the kinds of data we need to write responsible bills.

One of these Committee Prints involves the school nutrition programs, lunch and breakfast, while the other involves the WIC Program, which this Committee and the Nutrition Committee have shown a great interest in.

Dozens of the comments and recommendations found in these prints have been incorporated into S. 850.

McGovern Fights Food Cutback; Chairs Hearing, Releases Reports

Senator George McGovern, (D-S.D.), Chairman, Senate Select Committee on Nutrition and Human Needs, today released two staff reports completed by the Nutrition Committees that show increasing participation and acceptance of child nutrition programs by millions of Americans.

One of these reports covers the School Lunch and Breakfast Programs which the Administration is attempting to drastically cut back; the other covers the WIC (Women, Infants, and Children) Program, which the Administration is seeking to eliminate entirely.

Concurrent to the release of these reports, McGovern is chairing hearings before the Senate Agriculture Committee on S. 850, legislation he has introduced which, if passed, will defeat the Administration's plan and continue all the child nutrition programs.

McGovern, in referring to his bill (S. 850), and the Committee reports, said:

I can't imagine whose advice the Administration took in deciding to attack these programs. Thousands of administrators and participants in these programs have written to me expressing their feeling that the President's proposal is a total child nutrition disaster, one that would set back these programs 30 years.

The two Nutrition Committee prints released today verify this fact. The 289-page print entitled "WIC Program Survey-1975" shows that States, even in this very early stage of the program, are showing substantially reduced anemia among low income mothers and infants, increased maternal weight gain, increased birth weights, better dietary intakes, and decreased infant mortalities.

In addition, all States are reporting that by making WIC food available through health clinics, overall clinic participation has increased considerably, mothers are coming in earlier for prenatal visits, and the number of children going through medical screening and immunization has increased. Each of these is likely to lead to reduced medical costs.

In summarizing the WIC print, McGovern noted:

This program is working exactly as it was intended. My bill, S. 850, is intended to extend the WIC program, and correct many of its early problems.

The second Nutrition Committee print, entitled "School Food Program Needs-1975", shows the continued use of school lunch and breakfast programs by over 25 million American schoolchildren each day, a number that would be cut in half by the Administration's plan.

This report also shows that: the cost of producing a school lunch has gone up 13% this last year, bringing the two-year total increase to about 28%; most States have increased the amounts they are charging students by 5¢ or more; most States have at least doubled their participation in the reduced price program, which is offered to children from lower-middle income families and which legislation expanded last year; and, States report that if the school lunch program were universal, they would save millions of dollars in administrative costs.

In concluding his opening remarks before the hearing, McGovern said:

What makes this attempt to eliminate and cut back child nutrition particularly foolhardy is that it comes at a time when these programs, tried and proven, could be a real help to the people of this country, without a great increase in cost.

At a time when food costs are rising over 15 percent per year, when unemployment is hitting recordbreaking numbers, when double digit inflation is bewildering almost everyone, when the farm economy is in trouble, and when local economics need a boost, the Federal nutrition programs are in a unique position to be used to help, not to hurt, our people.

S. 850 is an attempt to help continue, improve and modestly expand these programs.

Hearings will be held today and Thursday in the Senate Agriculture Committee Hearing Room 324, Russell Senate Office Building.

Today's witnesses include:

Honorable Richard L. Feltner, Assistant Secretary of Agriculture, Marketing and Consumer Service.

Miss Josephine Martin, Administrator, School Food Service Program, Georgia Dept. of Education (also Chairman, Legislative Comm. American School Food Service Assn.).

Mrs. Annie Galbraith, Pres.-Elect, American Dietetic Association, Boston, Massachusetts.

Mr. Gabriel Stickle, Vice Pres. for Programs, National Foundation March of Dimes, White Plains, N.Y.

Statement of Hon. Robert Dole, a U.S. Senator From the State of Kansas

Mr. Chairman, I welcome these hearings on child nutrition legislation and I am hopeful that after we have heard all of the witnesses today and Thursday, we can begin shaping a more equitable, responsibly funded nutrition program for our children.

For every Member of the Congress is interested in assuring that American children have nutritious diets. And it has long since been decided that the Federal Government—working with the States—has a major responsibility for achieving this worthy objective. But we in the Congress must shape the specific programs which will meet the general goal of all child nutrition legislation—to safeguard the health and well being of the Nation's children.

I hope we will fully explore each of the alternative courses of action before us—from the administration's "block grant" child nutrition approach to more comprehensive extensions of current child nutrition laws such as Senator McGovern's and Senator Humphrey's proposals (S. 850 and S. 894).

THE KANSAS EXPERIENCE

More specifically, I am especially interested in the experience over the past several months in my State of Kansas where our schools have been receiving cash payments in lieu of commodities in the administration of school feeding programs. For the initial experience strongly indicates that Kansas schools have been able to realize substantial cost savings in administration while continuing to make economical bulk purchases of a wider variety of nutritious foods. I am pleased that Mrs. Ione George, director of school food services for the Kansas Department of Education is here today to relate the Kansas experience with cash in lieu of commodities to the committee.

As a matter of fact, the Kansas experience has led me to request that my staff and the staffs of the Agriculture and the Nutrition Committees explore the possibility of legislation which would extend present child nutrition programs for another year so that the Kansas experience can be fully tested. For if the results of the first several months of cash in lieu of commodities are duplicated in future months, it may be advisable to make this alternative method of Federal assistance available to other States. I am confident that if similar nutritional results can be achieved in a manner which saves money and, at the same time, increases local control over food purchases, other jurisdictions would welcome this approach.

EXTENSION OF COMMODITY PROGRAM

For this reason, I think it is important that we do not lock ourselves into a long-term extension of the commodity program. Surely, most Members of the Congress—as well as State officials—would favor an efficient cash program which not only provides nutritious foods but also stimulates local economies and assists small businessmen who provide the food to local child nutrition programs.

Mr. Chairman, I would also like to acknowledge the presence of another witness from Kansas at today's hearings—Mr. Ed Scott of Parsons, Kansas. Mr. Scott represents a company which has devised equipment which may be of benefit to schools in meeting the full accounting requirements of the School Lunch Act which go into effect this July. I am sure that Mr. Scott's testimony will be of interest to all the members of the committee.

Statement of Hon. Hubert Humphrey, a U.S. Senator From the State of Minnesota

I welcome the initiation of hearings on the National School Lunch and Child Nutrition Programs in order to determine their content and direction in the coming years.

The Administration earlier this year indicated its intention to seek legislation which would replace all existing child nutrition programs with a single program of block grants to the states. To date, I am happy to say, I have not seen any legislation introduced along those lines.

My reaction to the Administration's proposal was to describe it as an "anti" child food assistance act and a "blockbuster" rather than a block grant. I hope that we can use these hearings to examine the programs in order to strengthen and improve them rather than risk setting back the work and progress of 30 years in meeting the needs, health and well-being of the 31 million American children who participate in these programs.

At our February agricultural hearings in which Secretary Butz participated, I argued that the Department should not be so obsessed with the fact that over half of the budget at the Department is concerned with what some people refer to as "welfare programs." I pointed out to the Secretary that it is up to the Congress to legislate and the Department to administer the laws as written. I hope that this message has gotten through to Secretary Butz.

I look on these child nutrition programs as vital to the health and welfare of our nation and its future. And the Department of Agriculture should recognize that it has a major stake in supplying the commodities on which these programs are based.

One of the major programs which we need to examine is the school lunch program. I have recommended that a universal school lunch program be developed so that all school children would receive at least one balanced and nutritious meal each day.

We have seen the enrollment in this program decline as the prices for school lunches have steadily gone upward. For each 5 cent increase in the cost of a meal, it is estimated that there is a 5 to 10 percent loss in participation. In my view, food is as important as books. The Administration's block grant proposal, on the other hand, would cause an additional seven to ten million students to drop out of the school lunch program.

We need to take the initiative in freeing school administrators from performing a welfare function when their real business is education. We should be looking for ways to simplify this program and relieve school administrators of the paper work connected with it.

I was happy to hear from the Minnesota Director of the Child Nutrition Programs, Mr. Charles Matthews, that:

"The most effective legislative change which we would recommend to help stop the loss of paying students in the lunch program would be the adoption of a universal school lunch program with only a nominal charge, if any."

This is the direction which I sincerely believe that we should be moving toward in our school lunch program.

In the meantime, we should give careful consideration to the provision under Section 5 of S. 850, whereby the eligibility level for reduced price lunches would be increased to 100 percent above the poverty level. This section would be one important step in strengthening this program.

These hearings should also give special attention to the special supplemental food program, commonly referred to as W.I.C. (Women, Infants and Children).

This program is designed to provide high protein diet supplementation to low-income women, infants and children found to be at nutritional risk. The idea of the legislation is to reach people during those critical periods when nutrition intervention would do the most good for them and give the taxpayers the best return for their dollar.

This program has already brought strong and favorable responses from the States and recipients under the program. My bill, S. 822, and S. 850 propose to make a number of important changes to extend and further strengthen this program.

Under this legislation, funds for administrative expenses would be increased, with nutrition education and outreach included under the administrative cost section.

S. 882 also envisions the establishment of a National Advisory Council on maternal, fetal and infant nutrition, which would be composed of administrators, health professionals, nutritionists, W.I.C. directors and W.I.C. participants. This council would meet with the Secretary of Agriculture on a regular basis and provide him with the best professional thinking and information regarding this program.

I believe that the W.I.C. program is one of the more exciting and important initiatives which we have undertaken in recent years in the health and nutrition area. This Congress must make every effort to see that the program is strengthened and improved.

Our hearings also need to examine the summer food program and the school breakfast program. I believe these programs meet significant needs and should be extended.

The Congress, through S. 1310, has already moved to provide a 90-day extension for the summer feeding program so that planning can go forward for this summer's activities. However, we need to get away from such last minute actions regarding these programs. We need to find ways of reviewing and [illegible] these programs in a more orderly fashion.

I also would recommend that these hearings take a careful look at the whole area of U.S.D.A. purchase and donation of commodities and the issue of providing cash in lieu of commodities. The Minnesota Director of Child Nutrition Programs estimates that discontinuing the commodity distribution program would require an additional cash reimbursement of at least ten cents per meal.

We also will need to look at the commodity program for institutions which the Administration has proposed to eliminate.

We should take a careful look at the actual meals offered from the standpoint of nutrition and reducing waste.

I hope that the Administration will be cooperative in these hearings. The child nutrition programs meet a critical need, particularly at this time of economic recession. Let us together look for ways of making improvements in these programs rather than destroying what has been built with care and hard work.

STATEMENT OF HON. WALTER D. HUDDLESTON, A U.S. SENATOR FROM THE STATE OF KENTUCKY

Domestic food assistance programs aimed at child nutrition have been the subject of considerable discussion over the past four decades. Due to agricultural surpluses that developed in the early 1930's various nutrition-oriented price assistance legislation was enacted to aid farmers. By 1937, 15 states had passed statutes establishing low-cost school lunch programs. In 1940 there was more innovation to provide aid to farmers and the "Penny Milk Program" was developed where the USDA reimbursed local sponsors for purchase and distribution of milk to children in schools and other institutions.

In 1946 the "National School Lunch Act" was passed. The national priority changed from aiding farmers to feeding children. The objectives of the act included a combination of encouraging domestic consumption and safeguarding the health of children.

The United States Department of Agriculture now carries out a number of separate feeding programs. These include school lunch, school breakfast, equipment assistance to schools, non-school child feeding, special milk, special supplemental programs for women, infants and children, commodity donations to schools, summer camps, child-care centers, non-profit institutions and Indian reservations. Food assistance programs also provide for nutrition education for low-income families.

The mission of the child nutrition programs which have been developed under federal auspices is to safeguard the health and well-being of the nation's children and to encourage domestic consumption of nutritious agricultural commodities and other food. I would like to indicate how valuable child nutrition programs have been to Kentucky.

There are 1,555 schools approved in Kentucky for the School Lunch Program. Of 678,000 children in average daily attendance over 577,000 are reached by the School Lunch Program.

Kentucky leads the nation in the School Breakfast Program. There are 641 schools that have operating programs and 110,000 Kentucky youth are fed.

Over 1,600 Kentucky schools participate in the Special Milk Program. In March 1975, 3 million half-pints of milk were consumed.

The Special Food Service Program for Children reaches 8,000 Kentucky children and serves 24,000 meals daily. Last year the Summer Feeding Program had 26 sponsors in Kentucky. This year it has 41 sponsors and is expected to reach 21,000 children during summer 1975.

The Supplemental Feeding Program for Women, Infants, and Children is currently providing nutritious Food to over 12,000 Kentucky needy, low-income recipients. The Kentucky Public Health Association estimates that approximately 86,000 Kentuckians are eligible to be served by this program. In January 1974, Pikeville, Kentucky was the site of the first WIC program in the nation.

In addition to the programs I have mentioned, the University of Kentucky employs 231 persons working in the Expanded Foods and Nutrition Education Program. The EFNEP Program is funded by 3d Smith-Lever funds and currently reaches 7,200 families. The Kentucky 4-H program has reached over 18,000 youths regarding nutrition during the past six month period through a program utilizing over 2,000 volunteer leaders. And 4-H Mulligan Stew, a nutrition program carried out over Kentucky Educational Television, reached 53,000 Kentucky fifth graders last year.

The programs and efforts I have mentioned are important in decreasing the number of malnourished children, the number of birth defects due to malnutrition and the rate of mental retardation due to malnutrition. The benefits of these programs are of both a preventative nature and helpful in remedying an existing condition.

Our children are our greatest asset and their present welfare must be of our utmost concern. I feel the long-range benefits of child nutrition programs are far too valuable to be discontinued.

Senator McGOVERN. Our first witness is the Assistant Secretary of Agriculture for Marketing and Consumer Services, Mr. Feltner. We welcome you to the committee, Mr. Feltner. We are interested in your testimony.

STATEMENT OF RICHARD L. FELTNER, ASSISTANT SECRETARY FOR MARKETING AND CONSUMER SERVICES, U.S. DEPARTMENT OF AGRICULTURE

Mr. FELTNER. Thank you, Mr. Chairman and Senator Dole. We have submitted to you our prepared statement. Rather than read the entire statement, with your permission I would like to highlight it for you at this point, and then move to questions.

We do welcome this opportunity to participate in this hearing today on these various legislative proposals relating to Federal-State child nutrition programs.

The first thing I would like to do is discuss the child nutrition proposal that was contained in President Ford's budget for fiscal year 1976. The block grant approach, as it has become known, would increase Federal assistance to provide adequate nutrition for needy children, including needy infants and would at the same time serve as a means to reduce Federal costs, so there actually are two major factors here: trying to increase the assistance available to those who are truly needy, and also trying to reduce Federal costs.

The proposed legislation, officially known as the Child Food Assistance Act of 1975, would substitute one annual consolidated appropriation for all of the existing child nutrition funding that is now in effect. This proposal to substitute a single program for the current set of child nutrition programs is being made to assure that the States can provide the equivalent of a free meal to every needy child.

Estimates indicate that almost 700,000 needy children receive no program benefits currently because present programs are not available to them.

The administration's proposal would more than double current benefits for needy children by providing substantial increases in reimbursements for meals served for 1 year, rather than just during the school term. It would give the States, in addition, the flexibility of designing a feeding program tailored to the local conditions, either on a statewide basis or local areas within the State.

The USDA's budget for the current child nutrition programs, if these were extended in their present form, would be approximately $2.4 billion in fiscal 1976; in contrast to that, the estimated cost of the block grant proposal for fiscal 1976 would be approximately $1.7 billion, a savings of almost $700 million for the year. This would amount to savings over the next 5 years of about $4 billion, a very significant amount.

Under this approach, the Secretary would establish annually a national daily reimbursement rate which would cover the projected cost of providing a meal or food which meets one-third of the daily recommended dietary allowance for a child on a year-round basis. For fiscal 1976 this proposal would provide for a national rate of reimbursement of 90 cents for this one-third RDA. This rate is consistent with the Department's estimates of the cost of providing this one-third RDA during that year.

States would be responsible for designing a feeding program tailored to provide specifically for the needs of poor children in the State, with a great amount of latitude available to them in exercising that responsibility to adapt these programs to local conditions. States would develop plans to provide free meals to poor children in schools and institutions, utilizing the most appropriate type of meal or combination of meals or snacks and/or milk, or would provide food directly to needy children not in schools or institutions.

The State each year would receive enough funds to equal the national daily reimbursement rate times the number of needy children certified by the Governor as having been served meals or provided food.

This new approach would discontinue the Federal cash support now given for lunches to nonneedy children. The States could continue, of course, to support nonneedy children if they feel such support should be continued. The support for nonneedy children would have to come from States or local sources or from other Federal sources that could be used for that purpose.

Eliminating Federal subsidies to the nonneedy would provide sufficient Federal funds for States to increase benefits to all needy children. In fact, the difference between the costs of the block grant approach and what we project the present programs would cost is about equivalent to the amount that is now spent in subsidizing meals for nonneedy children.

Senator McGovern. What is that figure, roughly?

Mr. Feltner. Roughly $700 million.

Senator McGovern. So the administration's proposal, if it works out the way you plan, would save approximately $700 million from what you project to be the cost of the nutrition programs in fiscal year 1976?

Mr. Feltner. That is correct, Mr. Chairman.

Again, in the area of flexibility the States could operate year-round programs during school periods only in some combination. They could have, if they wish to continue type A lunch programs. If they could do this, they could have breakfast programs. They could have a WIC-type program. They could have a supplemental milk program, or any other suitable nutritional combination of meals that are responsive to the local needs.

A National Advisory Committee would be established to advise the Secretary of Agriculture on program administration and would require periodic evaluation of the effectiveness of the grants to the

States in achieving the elimination of poverty-caused hunger among children, and of course that is what we are all interested in doing. That is what I think the objective of all of us is.

On the matter of commodities, something that annually receives a great deal of discussion, the block grant proposal would not repeal section 32 or section 416 authorities. The Secretary could, at his discretion, continue to purchase non-price-supported surplus commodities or to take other actions to achieve farm price objectives as necessary and donate these commodities to the States, so this could continue under the block grant approach.

In fact, we have budgeted some commodities for fiscal 1976. The block grant proposal we see as a sound alternative to continued escalation of the present array of nutritional programs.

I want to emphasize that we feel in the administration and certainly in the Department of Agriculture that each one of the programs that we have that have been designed by the Congress and implemented, each one of them taken by itself serves a worthwhile objective—no question about that. Taken together, however, they represent a group of programs which has grown up in a largely piecemeal and we feel uncoordinated fashion which in many instances overlap with other assistance programs.

That is why we feel that the time is right for you in the Congress and those of us in the executive branch to take a close look at the package as a whole in terms of certain basic questions.

One of these questions is the growth rate. What are the future cost prospects unless we are able to set some sort of reasonable limits on uncontrolled growth?

The second question is to what extent are these rapidly escalating Federal costs disproportionately subsidizing those who do not need subsidies, while many needy children remain unassisted? I mentioned a moment ago we estimate that there are approximately 700,000 needy children who are not receiving assistance at the present time, while many children who are not defined as needy are receiving subsidized help.

Third, to what extent do these programs overlap and duplicate the benefits available through other assistance programs?

And finally, what are the available options for a system to remedy the failings and direct the assistance to where it is most needed?

On the matter of growth, President Ford addressed all of these fundamental issues actually in his February 3 budget message to the Congress. He said:

> Tremendous growth of our domestic assistance programs in recent years have on the whole been commendable.

But when he went ahead and pointed out that unless we are able to rationalize and streamline these programs, the costs would become insupportably heavy for the American taxpayers to bear, and I am sure we are all concerned about that.

Similar concerns, of course, have been reflected in the Congress by the passage of the Budget Reform Act under which the Congress is establishing machinery to exercise greater control in the coordination of Federal spending.

I mentioned four questions. Let me elaborate each of those just briefly, and then I will be closing. The first question of where we are headed in the child nutrition programs in terms of cost, I mentioned earlier that we project a simple extension of the existing programs would cost approximately $2.4 billion in fiscal 1976. By 1980, these costs would be over $3 billion.

President Ford pointed out in his budget message that if domestic assistance programs, which certainly these programs are, continued to grow at the rate they have been over the past two decades, Government spending would advance to over half of our national output.

The second question: we estimate, as I indicated earlier, that about 700,000 needy children receive no program benefits because present programs are not available to them. With the exception of about 1.7 million needy children who benefit from the summer feeding program, most needy children are not reached in the summer months at all, and again, while all of this is going on, we are continuing to subsidize children who are not classified as needy.

On the question of program overlap, a recent national survey of food stamp recipients was conducted. Some interesting very revealing statistics come out of that. Thirty-eight percent of those families surveyed had children participating in the school lunch program. Nearly 7 percent had youngsters getting school breakfasts. Two-and-a-half percent got special food service benefits, and 2½ percent were getting supplemental food programs.

Of these same households surveyed, one-third were receiving benefits from four or more Federal assistance programs. These results I think suggest the desirability of some integration of these activities into a coordinated package of some type of public assistance that will encourage more equitable sharing of benefits among the people who genuinely need them.

The final question that I raised is what are the options? We of course feel that the best option for us to follow at this point is the implementation of the block grant approach. If we do implement the block grant approach, we are aware that we have a summer feeding program that now ends on June 30, 1975. We are prepared to accept the measure that is currently pending in Congress to extend the summer feeding program through the summer. The program is already authorized and funded for a third of the summer, and obviously it would be disruptive to make major changes in midseason.

Finally, just in summarizing we want to insure that the program concentrates food assistance on needy children, those whose more urgent needs merit highest priority. We think that this program will also help to decentralize Government operations and share more decisionmaking power with the States governments.

Thank you, Mr. Chairman. I appreciate this opportunity to go through this with you. We are now ready to answer any questions that you may have.

I have with me here Mr. Ed Hekman who is Administrator of the Food and Nutrition Service and Mr. Jerry Boling, also from the Food and Nutrition Service.

Senator McGovern. Thank you very much, Mr. Feltner.

Has the administration to date actually proposed legislation to implement the block grant proposal?

Mr. Feltner. No, sir, The legislation has not actually been sent forward to the Congress.

Senator McGOVERN. No one has introduced such a proposal in either the House or the Senate to your knowledge?

Mr. FELTNER. No, they have not to my knowledge.

Senator McGOVERN. When do you think that could be anticipated?

Mr. FELTNER. We would hope it would be very shortly. I cannot give you an exact date. I am sorry on that. We have spent a great deal of time in the past several weeks conferring with a number of individuals and groups. Senator Talmadge, for example, had asked that we get the advice of our National Advisory Council on Child Nutrition that advises us on child nutrition programs in the Department. We have done that.

Senator McGOVERN. I think the problem we are up against if this program is going to be examined in detail—and I certainly hope it will be, and examined very critically—is that we are now at April 22, and the fiscal year expires on June 30. Many of these programs, as you know, will terminate then if we do not have alternative arrangements worked out.

Mr. FELTNER. Yes, that is certainly true.

Senator McGOVERN. Mr. Feltner, when you talk about the administration's block grant proposal reducing the Federal cost of these nutritional programs by $700 million, that is really just another way of saying the Federal Government is going to invest $700 million less in child nutrition, is it not?

Mr. FELTNER. Yes, that is correct. There would be that many fewer dollars actually going into child nutrition.

Senator McGOVERN. Who is going to pay the price for that? Somebody is going to get hurt if you take $700 million out of what we are now doing for child nutrition. Who is going to get hurt?

Mr. FELTNER. Well, we feel that the amount of money that would be in a sense taken away from the program actually is the money that is now being used to subsidize participants in the various programs who are not defined as needy on an income basis. We feel certainly—and one of the things I want to emphasize is that under the block grants approach, States and local areas are still free to implement any kind of nutritional assistance programs that they wish.

Senator McGOVERN. You mean they can implement any kind of a program that they wish with $700 million less money?

Mr. FELTNER. We would hope that if these are programs that are high priority in their assessment, these funds would be made available on a State and/or local basis.

Senator McGOVERN. As I understand it, under the administration's proposal by providing funds for just the neediest children, aren't you eliminating the middle class from any help under the school lunch program? Wouldn't youngsters from middle-class families be expected to then pay a much higher cost for their lunch?

Now, what percentage increase in lunch costs could be anticipated as far as these students are concerned who henceforth would have to pay the full cost of the lunch?

Mr. FELTNER. Well, first I would point out that if the State and/or local governmental units provide this difference, there need not be any increase in the cost of the lunch because of the action—no increase would be necessitated by the action that we are taking. If the State or local governmental units did not make up any of the deficit, approximately 22 cents per lunch would be the estimated increase in cost.

Senator McGOVERN. Do you know how that comes out in percentage terms, just roughly?

Mr. FELTNER. The average cost of the lunch is now 85 cents. This 22 cents would be nearly 26 percent of that.

Senator McGOVERN. Twenty-six percent increase.

Mr. FELTNER. That is correct.

Senator McGOVERN. Are you aware, Mr. Feltner, that the Department has done a study recently that has been published that indicates that even a 10 percent price increase would reduce participation by 4 to 5 percent, so when you are talking about a 26 percent increase, if you project those figures, you have 12 to 15 percent reduction in participation, and I am told that that study relates primarily to the lower cost lunches in the 20 to 30 cents range. When you get up around 45 to 46 cents, if you increase the cost to the student at that point, you get a much sharper dropout rate.

So that when you are proposing a 26 percent increase in the price, you may have to be considering perhaps as high as a 50 to 75 percent dropout in the program.

Mr. FELTNER. Yes, sir, we are aware that significantly increased prices of the lunches to the children could result in large numbers of them dropping out. Again, however, we would hope that the State and local people would place a high enough priority themselves on the school lunch program, or that they would subsidize these programs to a greater extent, if they wish to do this, and thus prevent this cutback in the number of students participating.

Senator McGOVERN. The trouble with that approach, Mr. Feltner, as I see it, is that it is in those States where you have the lowest income, where the school districts would have the greatest difficulty making up the deficit. I think what is going to happen if you go forward with this program—and I do not think Congress is going to let you go forward with it—but if we were to do that, you are going to be penalizing the students in the schools that have the lowest economic base and the least capability of making up that difference when you withdraw support for these middle-income students.

Nobody on this committee has been any more concerned about the poor than I have, but I am also aware of the fact that these middle-class families are having a hard time. They are the ones that have been paying the bulk of the cost of this program, as you know.

Mr. FELTNER. Right.

Senator McGOVERN. Their costs have gone up; the cost of everything they buy has gone up, and they do not get any welfare assistance. They are living within the income of the family. I do not understand the administration's reasoning that would argue that at this time when our economy is under great inflationary pressure and probably when no one has been hit harder than these middle-income families that you are suddenly going to dump the full cost of this program on them, either that, or as you say, the alternative is to make the local school district pick up the difference, and that puts the heaviest load on the districts that are the poorest.

Do you see any answer to that?

Mr. FELTNER. Well, it is true, certainly, that some States and some districts within States would have a harder time picking up this commitment than others. On the other hand, it does have the effect of asking States and areas within States to examine their priorities and hopefully they would place a high priority on the school lunch program and be able to provide these funds in some way.

Senator McGovern. I just want to make one more observation, and then I am going to yield to Senator Dole.

You are calling on the States to reexamine their priorities, Mr. Feltner. I would like to urge that you take back to the administration a request that the administration examine some priorities. I really do not understand a set of budget priorities where Congress is asked to cut $700 million out of the Federal contribution to child nutrition, and in that same budget we are called on to increase by some $16 billion the outlays for military purposes.

I realize you do not have any jurisdiction over that. Your efforts are confined to the Department of Agriculture. But this committee does have to deal with the matter of Federal priorities, and I would hope that every member of the committee would think about it in those terms. What is important to us as a country? Do we measure our strength primarily in terms of military outlays, or do we have the imagination to understand that healthy children also have something to do with national strength?

I think we get more in terms of real defense for this country out of keeping our children healthy and strong than we do from any other investment. If we are going to put this on a matter of priorities, let us look at the Federal priorities instead of throwing a new burden onto the lap of the States and telling them to make do with $700 million less on a program as important as this. I just touched on the school lunch program without going into these other things that are also very important—the WIC program, the school breakfast program, the summer feeding program. All of these programs, I am afraid, are going to be hit very hard if we go ahead with the kind of cutbacks you are talking about.

Senator Dole?

Senator Dole. I only have a couple of questions.

I think it is important that if we are going to consider an administration proposal, that we have it. It is difficult to consider when it is not before us. As the Chairman has pointed out, the end of the fiscal year is approaching. I note your reference to the Budget Committee; and as a member of that committee I can sympathize with any administration, either this one or whoever may be in the next one or the one beyond that, trying to do what needs to be done in all of the various areas, not only this program but thousands of others, and still try to strike some balance. I agree with you, that you should be healthy, but should you be broke also? I think that also is a consideration. I believe our Budget Committee faced up to the responsibility in a fair fashion in its first effort. There were members of various persuasions—conservative to moderate to liberal—who, when they saw the entire package, recognized you just cannot have everything. You can justify anything you may be interested in, but when you get into the total package and talk about the economy in this country and the middle class and the taxpayers, then we must draw a line somewhere on programs.

I do not know what the projected cost of existing programs might be, but I would guess there are going to be efforts to increase them. You are never going to decrease any program. That is why I do not really believe the administration's proposal is going to make it here. It may get to the floor; but sooner or later the last rites will be performed and we will move on to some other program which could cost a great deal of money. So, I hope you are looking at some of the alternatives, and I hope we can have some response to some of the specific bills before us.

There may be ways we could compromise some of those differences. I am not suggesting that the administration wants to do any less for those who need help. I do believe you cannot help everyone. You used the terms needy child, and nonneedy, and poor child. Would you quickly refresh my memory on how a needy child would be defined, and a nonneedy child and a poor child?

Mr. Feltner. Sir, it is an income level based on number in the family. In the continental United States, for a family of four, $4,510 per year is the poverty level.

Senator Dole. That is total income? Are there offsets in there?

Mr. Boling. Gross income, sir.

STATEMENT OF EDWARD J. HEKMAN, ADMINISTRATOR, FOOD AND NUTRITION SERVICE, U.S. DEPARTMENT OF AGRICULTURE

Mr. Hekman. For a family of four, they can get a free lunch, and be eligible for 25 percent above that.

Mr. Feltner. Under current programs.

Senator Dole. Right.

Mr. Feltner. For example, 25 percent above that is $5,640 per year. The current programs allow free lunch to be given to children from families with incomes less than that, a family of four.

Mr. Hekman. It is mandated at the poverty level. They can go 25 percent above.

Senator Dole. I understand the thrust of your suggestion to be that you would save about $600 million insofar as limiting benefits to nonneedy children which would account for the greater part in a total savings of $700 million. Is that right?

Mr. Feltner. That is correct.

Senator Dole. Would there also be a savings in administrative costs under a block grant program that would be less expensive to administer?

Mr. Feltner. There would be some savings in administrative costs, yes.

Senator Dole. You do not have any figures?

Mr. Hekman. It should not be substantial.

Mr. Feltner. It would not be a substantial figure. We do not have a dollar figure. We would expect it to be less, but that is not a major factor.

Senator Dole. Is the USDA doing anything to encourage purchases of commodities from small local producers of various commodities?

Mr. Feltner. Yes. We are very much aware of the concern that some people have expressed in this area. What we normally point out to those who express concern is that currently fully 80 percent of the food that is purchased for use in schools, the purchasing is done by the local school districts now, and only about 20 percent of the total volume of food is provided in the form of commodities by the Federal Government. So, the local districts are doing the bulk of the purchasing now. We do feel that it is healthy that this purchasing be done as much as possible in the local communities. That is where the local businessmen are. They know the people; they know the tastes; they know the kinds of foods that people want.

Senator **Dole**. Then you are familiar with the amendment offered by Congressman Jeffords of Vermont, the House amendment, which I think in essence precludes the Secretary from issuing any regulation which restricts local participation.

Do you have any position on that amendment?

You will probably get a chance to respond to that in the House. I am just curious. I had a letter from the Congressman yesterday.

Mr. **Feltner**. We are still looking at that.

If I might, I would like to submit something for the record to you on that.

[The following material was subsequently received for the record:]

Jeffords' Proposed Amendment to National School Lunch Act

The Department opposes the Jeffords amendment which provides that the Secretary shall not issue specifications which restrict local food processors from participating in the bid program for the National School Lunch Program.

The food product specifications for our purchase program have been developed to assure that high quality products are bought competitively and delivered economically to schools. These specifications are developed so as to attract both large and small bidders. Most of our purchases are made in carlot sizes (38,000 pounds) to take advantage of minimum freight rates. This precludes some small processors (producers) from bidding on the program. To accept bids less than carlot sizes is not economically feasible. It should be pointed out that the General Accounting Office has been critical in the past when the volume shipped per delivery unit has not been at least at the minimum weight charged under freight rate schedules.

The Jeffords amendment would also negate the economic advantage of our centralized procurement system. It would result in added transportation and related costs—funds which otherwise are used to purchase commodities. Since only about 20 percent of the money spent for school lunches is expended by the Federal Government, there is a tremendous local market available to these smaller firms who can service their local schools.

Senator **Dole**. I wonder if you or anybody at USDA has had the opportunity to make any evaluation, preliminary or otherwise, of the cash in lieu of commodities program that we are operating in Kansas?

Mr. **Feltner**. It is my understanding, Senator, that this has been a very successful program in Kansas, and that the people there are very happy receiving cash rather than commodities. I believe you mentioned earlier that you have someone here from Kansas who may be speaking to that later.

Senator **Dole**. That is Ms. George, who I think, is the primary reason it has been successful this year.

Mr. **Feltner**. Certainly from our standpoint we see no problems with it whatsoever. Do you have any further comment on that?

Mr. **Hekman**. I think I would like to point out to the committee that there are no problems, as the Secretary says, as it relates to the school lunch. It is working very well. I know Ms. George and I have spoken to her about it. I am very much aware that it is working well.

Our problem, Senator, is in some of the smaller programs, for example, the programs for the elderly, where there is this 10 cents in commodities available, and that is just in commodities. We have no way under present arrangements in the State of Kansas to make that food help available to those programs. We would appreciate, frankly, some way to help the State. It is a sizable amount of commodities.

Senator DOLE. Do we need to change the law? Would that be helpful?

Mr. HEKMAN. This is really a personal observation, but I have made it to some staff members. If the bulk of the payments for this elderly program, Senator, are in cash and our contribution is in commodities at a very low level of 10 cents, and you are dealing with HEW and Agriculture, it would seem that if in the will of the Congress there is this type of resource, this type of resource should be added on. It would just make sense to add it on in the form of cash or through the HEW payment, rather than for the States to put into place a program to distribute 10 cents in commodities to these, what are really rather small programs when you compare them with the school lunch program. That presents quite a problem to the States.

We are asking the Governors, basically, to designate that it be done through the school programs. But the items are limited. They have to be because the amount is small. It would seem that if it was an all cash program, for those programs, it would work a lot better. But you seemed to indicate earlier that you were thinking of making this program available to other States. That is going to multiply this problem, you see, because it is a problem in Kansas right now.

Senator DOLE. OK. I will have the staff check it, and I will have Ms. George's comments on it later.

Maybe we can figure something out. We do not want to create any more problems. We have enough of those.

That is all I have, Mr. Chairman.

Senator MCGOVERN. Mr. Feltner, there is one thing which has been bothering me about the overall thrust of what the administration is trying to do here, and that is this. The original purpose of the School Lunch Act, and I am quoting now, is "to protect the health of all the Nation's schoolchildren."

Now, in effect, is not what you are proposing to limit that Federal responsibility simply to the poor children, not to all children? One of the reasons I ask that question is that we had the Secretary before this committee a while back, and he and I had a rather sharp exchange in which he indicated that he was very firmly against putting the Department of Agriculture into the welfare business. He said that this is not the basic function of the Department and that he would resist any further trend in that direction.

Well, it seems to me that you are working at cross-purposes with what the Secretary has told us. You are saying, in effect, that the school lunch program is a welfare program, it is just for poor people; and that the middle class now is going to have to make it on their own; that this is not essentially in your view a nutritional program to embrace all of our children, but that it is a program to help the poor.

Does that not seem to contradict both the original intent of the program and also the reluctance of your Secretary to move in the direction of a welfare program?

Mr. FELTNER. I do not believe there is a contradiction, Mr. Chairman. Certainly, I think I can say there is no one in the Department of Agriculture, there is no one in the administration who wants to do anything that knowingly will harm the nutrition of children from any income strata in this country. We recognize the necessity for good nutrition for a number of reasons, and we want to see that all children, those in school and those not in school, have adequate nutrition. There should be no question on that.

I think the difference of opinion comes in terms of how we are going to do it and who is going to pay for it. We are suggesting that it is a Federal obligation to see that those who are needy have adequate nutrition. We argue very strongly that it is a Federal responsibility to see that this is done. We are proposing a program here which we feel would do even much more than is being done now in order to take care of these needy children.

We also feel, however, that beyond those who are defined as needy, there are adequate resources, either family resources or State and local resources, or a combination of these resources, to enable children from these families to have adequate nutrition, and that they should not have to rely on the Federal Government to subsidize nutrition for those children.

Senator McGovern. The trouble with that is it draws in a very arbitrary standard. You chop that off at $4,500 for a family of four. That means a family which comes in with an income of $5,000 or $6,000 gets no help from any source; that it is cut off completely from any kind of Federal assistance.

I think, No. 1, that is not only going to result in a very sharp dropout rate in the number of children participating which obviously means a nutritional loss; I also suspect—I am not accusing you of this—but I suspect that some of the people who thought up this idea had in mind that if we could eliminate the middle class from participation in this program, we would also eliminate much of the support for the program and make it more vulnerable to those who have never really believed in the school lunch program in the first place. I say I do not attribute that to you, but I am very skeptical of some of the people who are designing these proposals, because they have said very frankly that they do not want to see the Department heavily involved in feeding programs of this kind.

I hope the committee will take that into consideration when we evaluate these alternative possibilities. We have always had strong support across the United States for our school lunch program, primarily because of the nutritional value of it. It has never been viewed as a welfare program. It has been viewed as an important part of our educational and child development programs, and I hate to see it depart from that concept.

Senator Dole?

Senator Dole. I just want to make one observation.

As I remember, in our Budget Committee hearings, we learned that in many cases the States are much better off from the standpoint of fiscal soundness, than the Federal Government.

I do not quarrel with what the Chairman says, but I want to keep pointing out that there is a limit. All we have is debt as far as the Federal Government is concerned. We may have total sympathy for every program and want to double it, treble it, quadruple it; but you also must consider at the same time where the economy is going and what is going to happen, not just to the middle class but to the poor and to everyone involved. I think that was one thing our Budget Committee is going to take a further look at.

There continues to be the growth on the Federal side and not a shirking, but a shrinking of participation, where possible, by States, and I can understand that. We are thinking down the road next year. Maybe the States ought to pick up, not maybe this program, but some of the other programs, a little heavier burden.

Mr. Feltner. It is only a natural reaction, Mr. Dole, that a State, if it feels the Federal Government will pay it, it is not about to do it itself. I think that is a natural reaction.

Senator Dole. Well, you can bring it down right to the local level. If you can go out and advocate a program that does not cost anything you are more apt to be successful than if you advocate one that may cost something.

Mr. Feltner. Right.

Senator McGovern. Mr. Feltner, just one final question on another matter since it is within your division there at Agriculture.

The Secretary said before this committee that he was going to give us a food stamp study by April 1. I think that was on a motion by you, Senator Dole, that that study be made. April 1 has come and gone. Do you have any idea when we are going to see that study?

Mr. Feltner. I cannot give you an exact date, Mr. Chairman, as to when it will be actually submitted to the Congress. We have completed most of our work on the study. It is currently being examined in other agencies of the administration, and we are anxiously looking forward to submitting that proposal to you. I think you will find in the report recommendations for change. I think you will find it will be a very useful report.

Senator Dole. You might tell the Secretary to spend less time figuring out why we ought to veto the Farm bill and more time on the food stamp study.

Mr. Feltner. I might just comment here that we promised to have it out of the Department by April 1, and we did. We beat that deadline by several days.

Senator McGovern. Thank you very much, Mr. Feltner.

Mr. Feltner. Thank you.

[Responses of Mr. Feltner to questions submitted by Senator McGovern, subsequent to the hearing of April 22, 1975]

Question. What is your outlook for agricultural productivity in fiscal year 1976 thru 1978?

Answer. the outlook for the agricultural sector of the economy in fiscal year 1976 thru 1978 appears to be excellent. The USDA program advocating freedom from acreage controls coupled with an expected reasonable rate of return will go a long way toward assuring plentiful supplies of agricultural commodities for both domestic and foreign demand.

Question. A March report of the Economic Research Service indicates: "Substantial economics of scale exist in the procurement between the smallest and largest school systems. . . . Given the size of food purchases involved, a potential exists for saving the Nation's schools several hundred million dollars by more effective procurement practices". In essence, the medium size school district pays 7.2 percent more than larger school districts or USDA for an equivalent basket of food.

A. What are your views on USDA's ability to influence these savings?

Answer. We can provide leadership in this area and help school-systems to purchase food more efficiently. The report indicated it is the smaller school systems those with less than 10,000 students that need assistance. We have launched a program to expand cooperative food buying among several school districts and, where practical, on a Statewide basis. There are a number of cooperative food buying programs now in existence, in Michigan, Florida, Kansas, and Washington State to list a few. School districts are reporting savings that range from 5 percent to 20 percent by purchasing cooperatively with other districts. The campaign by Food & Nutrition Service to encourage more group purchasing of food by schools is well underway and the outlook is promising.

Question. Would you consider an expansion of the commodity distribution program to result in a lower overall program cost? If so, to what extent?

Answer. We do not believe it would be wise to expand the commodity program, nor to increase the per lunch assistance in commodities beyond the present escalator. It is doubtful there would be much, if any savings. This level of assistance will go from 10 cents per meal in FY 1975 to 11 cents in 1976. Moreover, additional levels of commodity assistance could be disruptive to the price structure of basic foodstuffs on the open market and could put too much strain on the refrigerated and dry storage spaces in the schools.

Question. Within current commodity distribution levels: Should emphasis be placed on the support of small and medium size school districts?

Answer. We believe such a distinction is unnecessary. The smaller districts can purchase as cheaply as the larger districts if they combine their orders with other districts. Cooperative buying encourages more efficient operation. As a school superintendent in Kansas stated "Cooperative purchasing requires more efficiency on the part of the cafeteria employees because they must plan the meals in advance and place their orders in advance. This advance planning is causing more efficiency in food purchasing, food usage and labor assignments."

Question. The goal of the National School Lunch Act, which this committee has always supported is "to protect the health of the nation's school children." Does your block grant proposal change this thrust, basically, so that it would read "to protect the health of *some* of our nation's school children?"

Answer. No, the basic concept of the comprehensive child food assistance program would be based on policies to decentralize authority to the States, simplify grants-in-aid, permit State and local agencies and citizens to design local programs responsive to local needs, and charge the Federal taxpayer only for helping those who need help without paying for assistance for those who don't need subsidies. A shift in Federal emphasis to the needy would not require the States to stop support of non-needy children, if they feel this to be of sufficient high priority (in terms of total State priorities and resources) to be continued. States would be free to subsidize non-poor children through school lunches, etc., either from local non-Federal tax revenues, or from Federal General Revenue Sharing Grants to States.

Question. What has happened in the lunch program to make you want to so drastically change its nature and scope?

Answer. The lunch program is representative of what has occurred in much of the Federal government domestic assistance programs. The multiplicity of Child Nutrition legislation has resulted in an exceedingly complex system of overlapping programs that make poor use of the taxpayer dollar by providing unneeded subsidies.

Question. What consultation have you done with PTA's or health professionals, or teachers, in reshaping the lunch program.

Answer. The urgent need to control increasing costs and program proliferation has limited the time available to allow participation by local people in the actual structuring of the Block Grant. However, block grant was developed and proposed in response to the need to reduce administrative complexity and overlapping programs at the Federal, state, and local levels. Local officials are affected most by the accompanying red tape. Their concerns have been expressed and duly noted. Block grant is a way to reduce the administration burden imposed by the current program.

Question. What community inupt have you had? I ask this because from all I hear our Child Nutrition programs are a huge success, and if anything, need to be expanded, not cut back?

Answer. As I have stated, the long history of community concern with the excessive administrative burden imposed by the current Child Nutrition programs was a prime consideration in proposing block grant. The proposed Child Food Assistance Act is not intended to cut back programs. It is offered as a better alternative to help poor children obtain adequate nutrition in a more cost-effective way.

Question. What are your views on the participation by non-needy children?

Answer. There could be little significant change in participation by non-needy children should State and local authorities at their option choose to continue subsidies for paid meals. They will have sufficient latitude to tailor this individual program to meet local community needs.

Question. Do you consider their participation to have a significant economic impact on program costs?

Answer. As indicated in the Comprehensive Study of the school lunch program, their participation apparently does have an effect on the economics of program costs. However as pointed out in the answer to the previous question, there could be little significant change in overall participation of non-needy children under the proposed block grant approach.

Question. Isn't it true that the paying student has been economically and politically, the backbone of the lunch program in the past?

Answer. Although this was probably true in the past, it is not necessarily so today, the Federal share of program funding has been steadily increasing from 23.9% of total program funding in 1969 to approximately 43% in 1974. While the amount contributed by paying student has declined from 52.3% to 34.9%. With regard to political support, paying students and their parents will be able to make their views known to their state legislative bodies, who would be more knowledgeable of, and sensitive to local needs and conditions.

Question. What would you recommend to a local school district which is trying to break even in its lunch program, after you withdraw all support for middle-income children?

Answer. I would recommend the local school district maximize participation for as many children as possible by instituting the most desirable and acceptable program based upon local needs. As indicated in the Comprehensive Study per meal costs are directly affected by increases or decreases in program participation. I would also recommend that a concentrated effort be made to assure that a fair share of local non-Federal tax revenues or Federal General Revenue Sharing Grants be channeled for use in the program.

Question. All I can assume is that, over just a few years, these children will drop out of the program entirely?

Answer. The assumption that all of the paying children will discontinue participation is not valid. If an attractive program is offered which maximizes participation and adequate State and local tax support is provided, we believe that a viable program for paying children as well as for needy children is not only possible but probable.

Question. The Department's recent "Comprehensive Study of Child Nutrition Programs" compared four alternatives against the present school lunch program. One alternative, the "Poverty Program," considered federal reimbursement for Free Meals Only. It seems to me that this is the present block grant proposal. As you must know, your own report showed this approach to be the most costly, per meal, of any of the alternatives studied. Why then would you now propose the costliest way to feed all schoolchildren a nutritious meal?

Answer. The Comprehensive Study includes hypothetical assumptions based upon definite sets of circumstances. That is if certain happening were held constant then we could predict the outcome to be reflected by other influences. The assumption in the study considered a drop in participation by paying children if the price were increased. Under the block grant approach, we do not believe that such an increase is necessarily expected. Increased State and local support for the program would alter the conclusion furnished in the Comprehensive Study.

Question. Also, of all alternatives studied by USDA, feeding *just* low income children is found the least effective in reaching nutritionally needy. In the past year has the Department obtained additional evidence on the nutritional status of schoolchildren which will invalidate last year's report? If so, can you explain the significance of this information? If not, how can you offer an alternative determined to be the least efficient, both economically and nutritionally?

Answer. During the past year, the Department has obtained additional data pertaining to the nutritional status of school children. This information was contained in the *Preliminary Findings of the First Health and Nutrition Examination Survey, United States, 1971–1972:* released by DHEW January, 1974. This study was designed to assess the nutritional status of the U.S. population; therefore, the effect of food assistance programs cannot be identified.

Some of the preliminary data indicate that the income group below the poverty level is more in need of food than the income group above poverty level, as demonstrated in this table which I will *insert* for the record.

PERCENT OF PERSONS AGED 12 TO 17 YEARS WITH LOW BIOCHEMICAL VALUES [1]—ACCORDING TO INCOME LEVELS [2]

[In percent]

	Below poverty level	Above poverty level
Hematocrit	16.54	7.86
Hemoglobin	11.58	3.56
Serum iron	3.70	1.75
Transferrin	9.22	6.36

[1] Low biochemical values. The low points are used to indicate the prevalence for groups who are more likely to be at risk of developing nutritional deficiency diseases.

[2] Income levels. Income status was determined by the poverty income ratio. Poverty statistics were based on the poverty index developed by the Social Security Administration in 1964.

Question. Mr. Feltner. A March report from USDA's Economic Research Service indicates that substantial economics of scale exist in the procurement between the smallest and largest school systems, and that when USDA purchases commodities and donates them to schools, the small and medium size school districts save millions of dollars. Yet, you propose to eliminate the commodity donation program. I'm curious, in light of your own study, what can be gained from such a move?

Answer. Due to the phasing out of the Food Distribution Program to needy families the purchasing, testing and administrative support apparatus has concentrated on the commodities to school program. An estimated 10 million dollars per year could be saved by making cash in lieu of commodities available to all schools. Small schools could use their cash to purchase cooperatively with other districts. Cash in lieu of commodities has been operating in Kansas during the current year. A recent trip report indicates the school personnel are unanimous in their preference of cash over commodities. USDA has implemented a promising program to expand cooperative purchasing by the schools for their food service operations.

Question. In light of the facts contained in this commodity study, would you consider an expansion of the commodity distribution program, considering your study shows this would lower overall program costs?

Answer. We do not believe it would be wise to increase the level of commodity support for schools at this time. As you know, there is an annual CPI escalator on the per meal support. Assistance will increase from 10 cents per lunch in FY 1975 to as much as 11.25 cents per lunch in FY 1976. Additional levels of commodity assistance could disrupt the market price structure of these basic foods. Larger shipments of donated food to schools could seriously overburden the refrigerator and the dry storage space of these schools.

Question. What do you consider the most prevalent cause of nutritional deficiency in the nation? Is it primarily due to a lack of "food buying power" or is it caused by poor selection of available foodstuffs?

Answer. For the most part nutritional deficiency in the United States can be directly attributed to the poor selection of available foodstuffs. The general availability of the Food Stamp and Child Nutrition Programs has eliminated lack of buying power as a main cause of inadequate diets for most Americans.

Question. Studies indicate that, year to year, a large proportion of the poor are not "poor" the following year. This change of status from "poor" to "nonpoor" is not merely at the margin of a "Poverty Index" of 1. In fact the shift is about one "Poverty Index" unit for a large percent of the families.

Answer. According to the Bureau of the Census, there are indeed indications of low-income population movements to above the poverty level each year. But there are also indications that an equal proportion of the population moves below the poverty level and that the shifts offset each other. The Census Bureau cautions that their population income reports are based on a sample of approximately 50,000 households and that low-income data to large sampling errors. The Census Bureau has no data to verify the statement concerning a shift of "one poverty unit for a large percent of the families."

Question. Would you expect similar findings from a survey of free lunch participants?

Answer. It is reasonable to assume that there is some movement from "poor" to "nonpoor" status among school children, but the Department has never studied such a shift. Program statistics show, however, that there have been increasing numbers of needy children participating in free and reduced-price lunches—from 3.9 million in 1969 to an estimated 10 million in 1975.

Question. The Department's Free Lunch program is based on an economic need. In your opinion: What proportion of "nutritionally needy" children are from households excluded from participation?

Answer. USDA's National School Lunch Program is not considered a "free lunch program." It is available to all children in participating schools. Those children who are eligible to receive free and reduced-price lunches may receive them. However, children from nonpoor families are expected to pay. These paid lunches are also subsidized by the program in the form of cash and donated food. Current average Federal subsidization for paid lunches is 11.75 cents in cash and 10 cents in donated food. The Department has no currently conclusive information on the number of nonpoor "nutritionally needy" children. A few carefully designed studies have been conducted in the past to measure the impact of food programs on the nutritional status of participating children. In addition, a 1965–66 USDA study covering 7,500 nationally represented households showed that 13 percent of households with $5,000 annual income or above had poor diets (less than two-thirds of the RDA for all seven nutrients). A New York State study of 578 students at higher income levels reported that 26 percent were nutritionally needy, while 36 percent of the 167 economically needy children were found to be nutritionally needy.

Question. Since studies indicate nutritional problems in school age children who are ecomically non-needy: How will termination of their assistance in the block grant contributed to the goal of the National School Lunch Act—"to protect the health of all the nation's school children"?

Answer. It need not be expected that the block grant would have any effect upon the participation of non-needy children. It is expected that under the block grant States and local agencies will have the latitude to design local programs responsive to local needs. Such programs established by local citizens would command the necessary priority for local non-Federal tax revenues to continue to meet the needs of non-poor children.

Question. Participation in the "free lunch" section of N.S.L.P. greatly exceeds other areas. Will you give us your opinion on how this interacts with nutrition objectives and program economics?

Answer. Beginning in 1962 with enactment of P.L. 87–823, the Congress, through the addition of Section 11 of the National School Lunch Act, recognized the need for Federal assistance in the funding of free lunches for needy children. The Congress has continued to emphasize this need and has greatly strengthened this facet of the program by providing administrative direction and increased funding. Such emphasis has resulted in a tremendous growth in the number of needy children being reached with free lunches.

Question. What are your views on the health and nutrition of U.S. school children and how will the new block grant concept improve the health and nutrition of all the nation's school children?

Answer. Some studies have indicated that the incidence of nutritional need is related to economic need. However, this is, at best, an imperfect relationship. Obesity and dental caries are the most common nutrition related problems among American school children. These disorders result from poor nutrient balance rather than inadequate dietary intake and affect large numbers of non-needy as well as needy children. Since the Type A lunch provides a balanced meal on a routine bases, it probably has some affect in combating the temptation for children to indulge in foods high in sugars and fats.

The block grant concept does not restrict the availability of a school food service program to non-needy children. Indeed, some form of school feeding program would probably be the most practical vehicle, in many cases, for providing nutritional assistance for needy children under the block grant. Non-needy children could eat the same meals as the needy children, if they paid the full price or if State and local governments desired to subsidize the program. For example, the State of Hawaii provides a substantial contribution to the current school lunch program. This enables non-needy Hawaii youngsters to purchase a school lunch at a price far below its actual cost.

The block grant concept establishes priorities. Since needy children are unable to afford a balanced lunch on a routine bases, it takes care of them first. As a matter of fact, the block grant would provide more assistance to needy children than the current nutrition programs combined. Since non-needy children are able to afford balanced meals on a regular bases, it is not as important to subsidize their feeding.

The large amount of Federal funds currently expended subsidizing their meals could more efficiently be used for other purposes ranging from nutrition education to job training. Furthermore, non-needy children would benefit indirectly from a block grant program, since the technical, assistance and nutritional standards used for a school food service program would help all the children receiving meals—needy and non-needy alike.

Question. What is your opinion on the economic costs attributed to these nutrition related health problems?

Answer. It is difficult to translate the effects of nutrition related health problems into dollars and cents terms. However it is understandable that poor nutrition during childhood translates itself into an overall reduction in skills and productivity on the part of workers in later life. The loss of such skills and productivity as well as happiness that might have been is unmeasurable.

Question. Based on NSLP statistics for the 1970's, will you describe any trends in participation? How do you assess the impact of these trends on overall program goals?

Answer. The NSLP, according to our peak month information, has grown from 24.6 million children participating in FY 1971 to 25.3 million during FY 1975. We anticipate that if the NSLP retains its current structure that the peak month will be between 25.0-25.5 for FY 1976. There are however, more significant trends in the program. The number of participants receiving a free or reduced price lunch (peak month) have grown from 7.3 million in FY 1971 to 10.3 million in FY 1975. This growth has been partly offset by a decline in the participation of paying children. These trends have directed us take a closer look at several aspects of our program. We have an on-going High School Participation Project to examine why high school participation is at a lower rate than in elementary schools. We also are concerned about overall non-needy participation.

Question. What are your views on the participation by non-needy children? Do you consider their participation to have a significant economic impact on program costs?

Answer. As I have mentioned, the participation of non-needy children has declined somewhat. Based on the best data available to us, 49.9% of the non-needy children in NSLP schools participated during March 1971 and 45.8% in March of 1974. Our preliminary analysis shows that this trend is continuing during FY 1975.

We believe the participation of the non-needy children is important. All children can benefit from the meals served in the school lunch program. However, unneeded Federal subsidies are not the proper approach to encourage participation of non-needy children. There are better ways to accomplish this, for example, more attractive meal patterns, more state/local support.

Question. Do you regard the Type A lunch as an important component of our school children's health and education? Will you elaborate?

Answer. The type A pattern was designed to meet one third of the R.D.A. for children. The type A pattern not only serves as the basis for a well balanced meal, but also serves as a spring board for nutrition education by exposing children to good nutrition on a routine basis.

Question. In recent years only 82–85 percent of NSLP children eligible for free and reduced price meals have participated in the program. Do you have an opinion on actions which may increase participation by these students?

Answer. All schools participating in the program must notify students and their families of the availability of free or reduced price meals at the beginning of the school year. The standards are clear enough that a qualified family would know that their children can receive free or reduced price meals. However, there are certain social and cultural pressures that may deter a family from applying even when aware that they are qualified. Simple pride would be one factor.

In order to attain 100% participation, these determents to participation must be overcome. The best course is to emphasize the value of the meals in helping to maintain an adequate diet. High unemployment and poor economic conditions have made free and reduced price meals more important to qualified families as evidenced by the estimated 92.3% participation of eligible children reported in April, 1975.

[The prepared statement of Mr. Feltner follows:]

STATEMENT OF RICHARD L. FELTNER, ASSISTANT SECRETARY FOR MARKETING AND CONSUMER SERVICES, U.S. DEPARTMENT OF AGRICULTURE

Mr. Chairman and Members of the Committee: We welcome the opportunity to participate in today's hearing on legislative proposals relating to Federal-State Child Nutrition Programs. First, I'd like to discuss the child nutrition proposal that was contained in President Ford's Budget for fiscal year 1976. The "bloc grant" approach, recommended in the Budget, would increase Federal assistance to provide adequate nutrition for needy children, including needy infants, and would, at the same time, serve as a means to reduce Federal costs. The proposed legislation—the "Child Food Assistance Act of 1975"—would substitute one annual consolidated appropriation for all the child nutrition funding now in effect, including direct grants to the School Lunch Program; Special Milk Program; Nonfood Assistance Program; the Special Supplemental Food Program for Women, Infants, and Children (WIC); and all other related school and non-school feeding programs.

This proposal to substitute a single program for the current set of child nutrition programs is being made to assure that States can provide the equivalent of a free meal to every needy child. Estimates indicate that almost 700,000 needy children receive no program benefits because present programs are not available to them. The cost to insure the needy an adequate diet is lower than projected estimates for the current programs if they were to continue. The difference does not represent a decrease in benefits to the poor but is the result of discon- to them. The cost to insure the needy an adequate diet is lower than projected would more than double current benefits for needy children by providing substantial increases in reimbursements for meals served for one year rather than just during the school term. Furthermore, the grant would provide States the flexibility of designing a feeding program tailored to local situations.

USDA's budget for the current child nutrition programs would be $2.4 billion in fiscal 1976. The cost of the bloc grant program for fiscal year 1976 is estimated at $1.7 billion, which would represent a savings of about $700 million for the year, compared to costs of extending current programs with no liberalization or increase in participation. Over the next five years the bloc grant approach is estimated to produce savings of $4 billion, as compared to the estimated costs of current programs.

Under the new approach, the Secretary would establish annually a national daily reimbursement rate which would cover the projected cost of providing a meal or food which meets one-third of the daily Recommended Dietary Allowance for a child on a year-round basis. In establishing the national daily reimbursement rate, the Secretary would take into consideration, in addition to cost estimates received from the States, adjustments in the food-away-from-home component of the Consumer Price Index and other appropriate factors. For fiscal year 1976, the proposal would provide for a national rate of reimbursement of 90 cents. This rate is consistent with the Department's estimates of the cost of providing one-third of the Recommended Dietary Allowance during that year and is in accordance with the President's proposal to limit increases in programs tied by law to the Consumer Price Index to five percent through June 30, 1976.

The States would be responsible for designing a feeding program tailored to provide specifically for the needs of poor children in the State, with considerable latitude in exercising that responsibility to adapt programs to local situations. States would develop plans to provide free meals to poor children in schools and institutions, utilizing the most appropriate type of meal, or combination of meals, snacks, and/or milk; or would provide food directly to needy children not in schools or institutions. Annually, each State would receive an amount of funds equal to the national daily reimbursement rate times the number of needy children certified by the Governor as having been served meals or provided food which met at least one-third the Recommended Dietary Allowance per child per day.

Another significant change in the new approach would discontinue the Federal cash support now given for lunches to non-needy children under the National School Lunch Program. The States could continue to support non-needy children, if they feel such support should be continued. In that case, however, the support for non-needy children would have to come from State and local resources. Eliminating Federal subsidies to the non-needy would provide sufficient Federal funds for the States to increase benefits to all needy children.

States would be free to operate programs year-round, during school periods only, or in some combination best suited to local circumstances. Grants could be used for the present "Type A" lunches, for breakfasts, snacks, supplementary milk, a WIC-type program for infants and children, or any other suitable nutritional combination responsive to local needs and preferences. States and local school systems and governments would, in short, be free to adapt programs to local conditions.

Each State would annually develop a plan to feed poor children, publish it for review and comment and send it to the Department. USDA would advise the State if some feature of the plan represented a non-legal use of bloc-grant funds, but USDA approval of the plan would not be required. Then, at the end of each fiscal year, States would submit a report in the form of a statement of accomplishment, certified by the Governor as to the legality of use of the funds.

Additionally, the block-grant program would establish a National Advisory Committee to advise the Secretary of Agriculture on program administration, and would require periodic evaluation of the effectiveness of the grants in achieving the elimination of poverty-caused hunger among children.

Turning to the matter of commodities, the block-grant proposal would not repeal Section 32 or Section 416 authorities. The Secretary could, at his discretion, continue to purchase non-price supported surplus commodities or to take other actions to achieve farm price objectives, as necessary, and to donate such commodities to States.

Commodities are currently budgeted for fiscal year 1976. The block grant proposal provides that the value of commodities donated to schools would offset a portion of the funds payable to states under the block grant.

We see the block grant proposal as a sound alternative to continued escalation of the present array of child nutrition programs.

Each one, taken by itself serves a worthwhile objective. But taken together, they represent a group of programs, which has grown up in a largely piecemeal, uncoordinated fashion, and which, in many instances, overlap other similar assistance programs. Thus, we advocate that the time is right for you in Congress and us in the Executive Branch to take a close look at the package as a whole, in terms of certain basic questions:

First, given the current growth rate of these programs, what are future cost prospects, unless we're able to set reasonable limits on uncontrolled growth?

Secondly, to what extent are these rapidly escalating Federal costs disproportionately subsidizing those who do not need subsidies while many needy children remain unassisted?

Thirdly, to what extent do these programs overlap and duplicate the benefits available through other assistance programs?

Finally, what are the available options for a system to remedy the failings and direct the assistance to where it is most needed?

President Ford addressed these fundamental issues in his February 3 Budget Message to the Congress. He said, the "tremendous growth of our domestic assistance programs in recent years has, on the whole, been commendable." But then, he pointed out that unless we are able to "rationalize and streamline these programs," the costs would become "insupportably heavy" for American taxpayers to bear.

Similar concerns are reflected in Congressional passage of the Budget Reform Act, under which Congress is establishing machinery to exercise greater control and coordination over Federal spending. The Joint Economic Committee of Congress addressed similar questions in its thorough-going series of STUDIES IN PUBLIC WELFARE.

Turning first to the question of costs, where are we heading in child nutrition programs? Should the programs continue as they are, given simple extensions of existing legislative authorities—Department budget projections show that in fiscal year 1976, beginning July 1, they would carry Federal costs over $2.4 billion; and that by fiscal year 1980 the costs would escalate to over $3 billion, nearly 50 percent above this year's level. Then, the question becomes, where does it end? President Ford pointed out in his budget message that if domestic assistance programs continue growing at the rate they have been over the next two decades, government spending would advance to over half of our national output.

But now let's look at the second and equally important question. Altogether, as indicated earlier, we estimate that about 700,000 needy children receive no program benefits because the present programs are not available to them. Further, with the exception of the 1.7 million needy children who benefit from the summer feeding program, most needy children are not reached in the summer months. Meanwhile, the Federal government contributes 22 cents per lunch to 15 million non-needy children at a cost of about $600 million annually, plus additional amounts to those non-needy who participate in the breakfast and milk programs.

Taking up the third question on program overlap—as part of their studies into public welfare, the Joint Economic Committee requested a survey of food stamp participants, the first such national survey. Conducted by the Chilton Research Associates, the study looked into all kinds of income, including Child Nutrition benefits available to food stamp users. Significantly 36 percent of all the families surveyed had children participating in the school lunch program; 6.8 percent had youngsters getting school breakfasts; 2.4 percent, special food service benefits; and 2.4 percent were getting supplemental food program benefits.

Of all the households surveyed, one-third were receiving benefits from 4 or more Federal assistance programs. These results suggest the desirability of some integration of these activities into a coordinated package of public assistance, that will encourage more equitable sharing of benefits among people who genuinely need them.

The results also suggest that we may well be dividing our Federal and State administrative capabilities among too many narrow categorical programs of limited scope, while some major programs are still falling short of reaching their target audiences.

The aforementioned examples are the kinds of problem areas that might better be resolved, if administrative energies at all levels of government were more sharply focused.

And finally, returning to the fourth question—on the available options to remedy these situations—we see the block-grant proposal as the most viable long-range alternative.

In the interim, however, we are prepared to accept the measure that is currently pending in Congress to extend the Summer Feeding Program through this summer. The program is already authorized and funded for a third of the summer, and it would obviously be disruptive to make major changes in mid-season.

As I said earlier, The proposed Child Food Assistance Act would provide food to fulfill ⅓ of the daily Recommended Dietary Allowances for each needy child in the United States on a year-round basis. We want to ensure that the program concentrates food assistance on needy children—those whose more urgent needs merit highest priority. The program also will help to decentralize government operations and share more decision-making power with State governments.

We appreciate this opportunity to present the Department's views. Now, Mr. Chairman, we would be happy to answer any questions.

Senator McGOVERN. I would like to ask that Senator Case's statement be made a part of the record. He was delayed at a meeting at the White House this morning. Also a letter from Congressman Jeffords to Chairman Talmadge.

[The statement of Senator Case and a letter from Congressman Jeffords follow:]

STATEMENT OF HON. CLIFFORD P. CASE, A U.S. SENATOR FROM THE STATE OF NEW JERSEY

I welcome the opportunity to testify before the Senate Agriculture Subcommittee on Agricultural Research and General Legislation in behalf of my bill to prohibit the unrestricted sale of competitive foods in the school cafeteria. My bill, S. 1309, is co-sponsored by Senators McGovern, Hugh Scott, Kennedy, Metcalf, Philip Hart, Clark, Humphrey, Stafford, Schweiker and Moss.

If enacted, S. 1309 will accomplish two closely related goals. First, it will return to the Department of Agriculture the authority to regulate competitive foods in the school lunchroom, and it will do so with the admonition of Congress that so-called "empty calorie" or "junk" foods should not be sold in schools already under the National School Lunch program.

Second, S. 1309 will create a new section in the National School Lunch Act aimed at providing assistance to schools for nutrition education programs.

My bill is not an anti-vending machine measure. It is directed at the soda pop, cakes and candies sold in some vending machines and which undermine the purpose of the school lunch program.

The objective of the lunch program is to help provide a nutritionally adequate diet for school children and, thereby, help to safeguard their health and well-being. It has been proven time and again that well nourished children are more alert in school, better behaved, and benefit more from their classroom experience.

Many experts and citizens concerned about the existence of empty-calorie foods in the school cafeteria have been in touch with me. And I share their belief that any assault on the integrity of our school feeding programs must be regarded most seriously.

My bill has the support of the American School Food Service Association and the American Dental Association, both strong advocates of the best in nutrition for the school lunchroom.

The practice in my own state of New Jersey is to serve only nutritious food during the hours that the school breakfast and lunch programs are in operation. In other words, the vending machines selling non-nutritious foods are turned off for those periods. I do not know what the practice is in other states.

For my own part, I am deeply concerned about the attitude of the Department of Agriculture on this matter. Through its inaction and failure to speak out, it has permitted its authority over the school feeding programs to be undermined.

Several years ago I offered an amendment to the School Lunch Act to prevent the sale of competitive foods in the school cafeteria. While my amendment was adopted by the Senate, it did not have the support of the Department of Agriculture. Without this support, the amendment was dropped in conference.

I hope the Committee will look into the question of how well the Department is carrying out its responsibilities for safeguarding children's feeding programs particularly with regard to competitive foods.

I agree with Senator Allen, chairman of this subcommittee, that "proper nutrition is the primary purpose" of the school lunch programs.

In line with this objective, S. 1300 also provides cash grants to departments of education or comparable agencies in the states to educate children on the nutritional value of foods and the importance of nutrition to good health. In addition, it authorizes the Department of Agriculture to carry out research and develop materials and techniques for effective presentation of this information.

Enactment of S. 1300 will go a long way to assure that the Federal dollars spent in the school feeding programs are providing the best possible nutrition for the children of our country.

I would also like to take this opportunity, Mr. Chairman, to say a few words in support of the amendment to S. 850, which I am co-sponsoring, to make mandatory the reduced price lunch. As the original sponsor of legislation to make permanent the optional reduced-price lunch—termed a milestone by the American School Food Service Association—I view this proposal as yet another milestone.

The school feeding programs take on added importance at this time when the economy is depressed and the rate of unemployment is high. Family incomes cannot stretch to meet increased prices, and those in the low to middle income range have the hardest time of it.

Prices of school lunches have increased, and children are being forced to drop out of the program because they simply do not have enough money to be able to purchase the nutritionally adequate lunch available through the school lunch program. To safeguard the health of these children, I urge the committee to act favorably on the amendment to make mandatory the reduced price lunch program.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., April 21, 1975.

The Honorable HERMAN TALMADGE
Chairman, Committee on Agriculture and Forestry
Washington, D.C.

DEAR MR. CHAIRMAN: As you begin hearings on the extension of the National School Lunch and Child Nutrition Acts, the House probably will not have completed action on H.R. 4222. Regardless, I would like to draw your attention to an amendment which I proposed to the National School Lunch Act and which was approved during markup in the Education and Labor Committee.

During consideration of this legislation, I became aware that, in operating the commodity purchase and distribution program of the National School Lunch Act, the USDA has issued certain specifications making it nearly impossible for small, local producers of various commodities and agricultural products to participate in the program. For example, under the National Frankfurter Purchase Program, producers are required to be federally inspected (under the assumption that they will be shipping in interstate commerce) and must offer frozen frankfurters for sale in production carlot sizes of 38,000 pounds. This effectively precludes many small packers from participating.

There must be a better way to conduct this program. For instance, if local producers were able to participate in the program and distribute to schools in their area, they should qualify under equivalent state inspection and would not need to freeze and offer such large lot sizes for sale at one time. While certain economies of scale may exist because of the present specifications, other efficiencies and benefits can be obtained through the purchase and distribution of commodities and other foods in the same geographic area.

Therefore, the amendment I proposed provides that, in making purchases of such agricultural commodities and other foods, the Secretary of Agriculture shall not issue specifications which restrict participation of local producers unless such specifications will result in significant advantages to the national school lunch program. I have enclosed a copy of the pertinent section of the Act for your information.

It is intended that this amendment serve as a catalyst. At a time when the effect of federal regulations on our economy is being scrutinized, it encourages the Secretary to make a thorough review of specifications for purchase. If changes cannot be made without damaging the program or sacrificing substantial efficiencies, the Secretary should point this out. On the other hand, if changes can be made resulting in benefits to local small businesses without sacrificing overall efficiency, competition, health and safety, the Secretary should ensure that such changes come about.

I hope you will find this information useful in your upcoming deliberations.

Sincerely,

James M. Jeffords.

NATIONAL SCHOOL LUNCH ACT

* * * * * * *

APPORTIONMENT TO STATES

SEC. 4. (a) The sums appropriated for any fiscal year pursuant to the authorizations contained in section 3 of this Act, excluding the sum specified in section 5, shall be available to the Secretary for supplying agricultural commodities and other food for the program in accordance with the provisions of this Act. For each fiscal year the Secretary shall make food assistance payments, at such times as he may determine, from the sums appropriated therefor, to each State educational agency, in a total amount equal to the result obtained by multiplying the number of lunches (consisting of a combination of foods which meet the minimum nutritional requirements prescribed by the Secretary under subsection 9(a) of this Act) served during such fiscal year to children in schools in such State, which participate in the school lunch program under this Act under agreements with such State educational agency, by a national average payment per lunch for such fiscal year determined by the Secretary to be necessary to carry out the purposes of this Act: *Provided*, That in any fiscal year such national average payment shall not be less than 10 cents per lunch and that the aggregate amount of the food assistance payments made by the Secretary to each State educational agency for any fiscal year shall not be less than the amount of the payments made by the State agency to participating schools within the State for the fiscal year ending June 30, 1972, to carry out the purposes of this section 4.

(*b*) (*1*) *In addition to the food assistance payments under subsection* (*a*) *to a State educational agency for any fiscal year, the Secretary shall make supplemental food assistance payments for that year to any State educational agency in a total amount equal to the sum of the results obtained by multiplying* (*A*) *the number of lunches, other than free lunches and reduced-price lunches,* (*consisting of a combination of foods which meet the minimum nutritional requirements prescribed by the Secretary under section 9*(*a*))*, served during such fiscal* *year to children in each school in such State which participates in the school lunch program under this Act under agreements with such State educational agency in accordance with section 8, by (B) a payment per lunch for that school determined by the Secretary, in accordance with the first and second sentences of paragraph (3), whichever is appropriate.*

(2) Supplemental payments to any State educational agency under this subsection shall not be subject to the matching requirements contained in the third sentence of section 7 and in the second sentence of section 10.

(3) In the case of any school which was participating in the school lunch program under this Act as of January 1, 1975, the payment per lunch for a school determined by the Secretary for purposes of making supplemental payments to a State educational agency for any fiscal year in accordance with paragraph (1) shall be an amount equal to (A) the difference between (i) the price, in effect on January 1, 1975, for a lunch (other than a free lunch or a reduced-price lunch) served to a child in that school and (ii) 25 cents, or (B) 10 cents, whichever is the greater. In the case of any school which was not participating in the school lunch program under this Act as of January 1, 1975, the payment per lunch for a school determined by the Secretary for purposes of making supplemental payments to a State educational agency for any fiscal year in accordance with paragraph (1) shall be equal to (A) the difference between (i) the average price, in effect on January 1, 1975, for a lunch (other than a free lunch or a reduced-price lunch) served to a child in all schools in that State which participate in the school lunch program under this Act under an agreement with such agency in accordance with section 8 and (ii) 25 cents, or (B) 10 cents, whichever is the greater.

* * * * * * *

DIRECT FEDERAL EXPENDITURES

SEC. 6. (a) The funds provided by appropriation or transfer from other accounts for any fiscal year for carrying out the provisions of this Act, and for carrying out the provisions of the Child Nutrition Act of 1966, other than section 3 thereof, less

(1) not to exceed 3½ per centum thereof which per centum is hereby made available to the Secretary for his administrative expenses under this Act and under the Child Nutrition Act of 1966;

(2) the amount apportioned by him pursuant to sections 4 and 5 of this Act and the amount appropriated pursuant to sections 11 and 13 of this Act and sections 4, 5, and 7 of the Child Nutrition Act of 1966; and

(3) not to exceed 1 per centum of the funds provided for carrying out the programs under this Act and the programs under the Child Nutrition Act of 1966, other than section 3, which per centum is hereby made available to the Secretary to supplement the nutritional benefits of these programs through grants to States and other means for nutritional training and education for workers, cooperators, and participants in these programs and for necessary surveys and studies of requirements for food service programs in furtherance of the purposes expressed in section 2 of this Act and section 2 of the Child Nutrition Act of 1966,

shall be available to the Secretary during such year for direct expenditure by him for agricultural commodities and other foods to be distributed among the States and schools and service institutions participating in the food service programs under this Act and under the Child Nutrition Act of 1966 in accordance with the needs as determined by the local school and service institution authorities. [*In making purchases of such agricultural commodities and other foods, the Secretary shall not issue specifications which restrict participation of local producers unless such specifications will result in significant advantages to the national school lunch program.*] The provisions of law contained in the proviso of the Act of June 28, 1937 (50 Stat. 323), facilitating operations with respect to the purchase and disposition of surplus agricultural commodities under section 32 of the Act approved August 24, 1935 (49 Stat. 774), as amended, shall, to the extent not inconsistent with the provisions of this Act, also be applicable to expenditures of funds by the Secretary under this Act.

(b) As of February 15 of each fiscal year, the Secretary shall make an estimate of the value of agricultural commodities and other foods that will be delivered during that fiscal year to States for school food service programs under the provisions of this section, section 416 of the Agricultural Act of 1949, and section 32 of the Act of August 24, 1935. If such estimated value is less than 90 per centum of the value of such deliveries initially programed for that fiscal year, the Secretary shall pay to State educational agencies, by not later than March 15 of that fiscal year, an amount of funds that is equal to the difference between the value of such deliveries initially programed for such fiscal year and the estimated value as of February 15 of such fiscal year of the commodities and other foods to be delivered in such fiscal year. The share of such funds to be paid to each State educational agency shall bear the same ratio to the total of such payment to all such agencies as the number of meals served under the provisions of section 9(a) of this Act and section 4(e) of the Child Nutrition Act of 1966 during the preceding fiscal year bears to the total of all such meals served in all the States during such fiscal year: *Provided*, That in any State in which the Secretary directly administers school food service programs in [the nonprofit private] *any of the* schools of such State, the Secretary shall withhold from the funds to be paid to any such State under the provisions of this subsection an amount that bears the same ratio to the total of such payment as the number of meals served in [nonprofit private] *such* schools under the provisions of section 9(a) of this Act and section 4(e) of the Child Nutrition Act of 1966 during that fiscal year bears to the total of such meals served in all the schools in such State in such fiscal year. Each State educational agency, and the Secretary in the case of [nonprofit private] schools in which he directly administers school food service programs, shall promptly and equitably disburse such funds to schools participating in the lunch and breakfast programs under this Act and the Child Nutrition Act of 1966 and such disbursements shall be used by such schools to obtain agricultural commodities and other foods for their food service program. Such food shall be limited to the requirements for lunches and breakfasts for children as provided for in the regulations by the Department of Agriculture under title 7, subtitle (b), chapter II, subchapter (a), parts 210 and 220.

* * * * * * *

LEVEL OF COMMODITY ASSISTANCE

(e) For the fiscal year ending June 30, 1975, and subsequent fiscal years, the national average value of donated foods, or cash payments in lieu thereof, shall not be less than 10 cents per lunch, and that amount shall be adjusted on an annual basis each fiscal year after June 30, 1975, to reflect changes in the series for food away from home of the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor. Such adjustments shall be computed to the nearest one-fourth cent. Among those commodities delivered under this section, the Secretary shall give special emphasis to high protein foods, meat, and meat alternates. *Provided, That not less than 75 per centum of the assistance provided under this section shall be in the form of foods purchased by the Department of Agriculture for the school lunch program.*

* * * * * * *

Senator McGOVERN. Our next witnesses will appear in a panel. Ms. Martin, Mr. Stalker, and Lee Searing. If they would come forward.

Ms. Martin is the administrator of the school food service program in the State of Georgia, and she is also chairman of the legislative Committee of the American School Food Service Association.

Ms. Martin has appeared before this committee many times. She is accompanied by Mr. John Stalker who is the director of the school lunch program of the State of Massachusetts, and by Mr. Lee Searing, who is the director of the school lunch program of Broward County, Fort Lauderdale, Fla.

We are happy to welcome these three witnesses.

Ms. Martin, you and your colleagues can proceed in any way you see fit.

STATEMENT OF JOSEPHINE MARTIN, ADMINISTRATOR, SCHOOL FOOD SERVICE PROGRAM, GEORGIA DEPARTMENT OF EDUCATION; CHAIRMAN, LEGISLATIVE COMMITTEE, AMERICAN SCHOOL FOOD SERVICE ASSOCIATION, ATLANTA, GA.

Ms. MARTIN. Thank you, Senator.

I am Josephine Martin, administrator of the school food service in Georgia; with me is Mr. John Stalker, director of the State school lunch program of Massachusetts and chairman of State directors section, ASFSA, and Lee Searing, director of the school food service program in Broward County, Fla.

Mr. Sam Vanneman is also with us this morning, and if you have questions I hope Mr. Vanneman will help to answer them. Mr. Vanneman is Washington representative for the American School Food Service Association.

Senator MCGOVERN. We will be glad to have him join you.

Ms. MARTIN. Thank you, sir.

Mr. Chairman, may I take a moment first of all to express my appreciation for the leadership of this committee for its continuing interest in and support of child nutrition programs. I have a statement and rather than reading it, I would like to have it submitted for the record and highlight some of the statement.

It seems appropriate on the eve of the 30th birthday of the National School Lunch Act, important for us to pay tribute to this committee because it was in the Senate Committee on Agriculture and Forestry that the concept of a national school lunch program for all children was born. Since the inception, this program has had as its single purpose the improvement of the nutritional status of all children in schools.

As a result, all children in participating schools, regardless of family income, are able to secure a lunch at school, and for those not qualifying for a free lunch, at well below the cost of producing the meal. A key element in the program is the national standard for the nutritional quality of the lunches. This has been a part of the program since it was initiated in 1946. Schools have complete flexibility in combining or offering wide choices of food items to meet this nutritional standard. From this early concept of a nutrition program for the general welfare of the Nation has evolved a sound nutrition program for all children and one which has operated extremely well for the past 30 years.

Today, I would like to address my remarks to the President's proposal to repeal the child nutrition legislation, to his proposal to place a 5-percent ceiling on increases in reimbursements, to the bills that are before us today—S. 850, S. 1309, and S. 894.

First of all, I would like to state that the American School Food Service Association opposes the administration proposal to repeal all child nutrition program legislation. The administration's block grant proposal turns its back on the work of this committee and the Congress in the establishment of child nutrition programs for all children. It turns its back on 60 percent of the children who are now receiving lunches each day at school. It weakens the nutritional standards for all children.

In addition to the adverse effects of the proposal on paying children the abolishment of the present legislation would have adverse effects on poor children, the food industry, and the labor market.

I have attempted, in a very, very crude chart, to compare the block grant approach with the existing legislation. I shall direct my comments to this chart. This is attachment 2 at the end of my statement.[2]

The block grant approach, as was indicated, would make available 90 cents per day to provide one-third of the child's recommended dietary allowance. If the schools chose to provide school lunch, this would consume the entire 90 cents. Now, the USDA has indicated that the States or local districts would have complete flexibility in how they spent 90 cents, but if they provided lunch, the 90 cents would only provide the school lunch, whereas on the right side of the chart we see that presently we have legislation which provides lunch, breakfast, extra milk. It takes care of a special food program for children, and the program for women, infants, and children.

The funds that are presently available for lunch for the paying child amount to approximately 22 cents per day; in addition the middle-income child has available the special milk and the breakfast program making a total of 36 cents per day available to the paying child or the middle-income child.

Senator DOLE. Is that in the lefthand column?

Ms. MARTIN. That is in the lefthand column. The 36 cents is available if a paying child takes advantage of all of the programs, the lunch program——

Senator DOLE. Breakfast, milk, and donated?

Ms. MARTIN. Yes, donated foods would be applied to lunch programs, so it would be 10 cents donated food value plus the 11.75 cash reimbursement, so actually at this point we have a possibility of 36 cents for the middle-income child; whereas at this point the needy child has available 95 cents, plus the cost of milk—a national average of 10 cents. This amounts to a total of $1.05 in food assistance that the needy child presently has available to him. The block grant approach suggests a 90 cent replacement of the $1.05 which we now have.

The block grant approach would eliminate the children who are in the near-needy or who qualify for reduced price lunches. Those children now have the potential of 84.25 cents available; under the block grant the reduced-price children would not have any of this available.

Senator DOLE. Now, are the near-needy 25 percent?

Ms. MARTIN. They qualify for the 20 cent lunch. That is, presently the legislation provides for children up to 175 percent of the income poverty guideline to be eligible for reduced price meals. So you see in comparing the existing legislation with the block grant, it would be very difficult to find even the needy children getting as much nutrition assistance as they presently have.

Let us look on down at what else would be left out of the nutrition programs if the existing legislation was abolished or repealed. The nutrition training projects would be eliminated. The State administrative expense funds would be eliminated. The nutritional standards for the block grant approach would be limited to one-third of the child's daily food needs, whereas now the legislation provides for 58 percent of the child's recommended dietary allowance. The existing legislation provides for a third of the child's RDA under the lunch and a fourth of the child's daily food needs under the breakfast. The President's proposal cuts back tremendously on meeting the nutritional needs of the children.

---

[2] See p. 82.

The Secretary indicated that this money would be available for 225 days. Well, under the present legislation we have performance funding, so if the school chooses to have a program all year long, funds are available for every day the school is in session.

So in every way that I look at and analyze the block grant, it seems to me the needy children would lose, the paying children would lose, the food industry would lose, the labor market would lose, and it certainly would be a step back for our 30th birthday in the national school lunch program.

Senator McGovern. In that connection, Ms. Martin, there is just no way you can take $700 million out of this program without a lot of people getting hurt. Does it not come down to that?

Ms. Martin. It certainly does, and I think Mr. Chairman, if the 60 percent—of the nonneedy children—were not taken care of, many school districts would find it noneconomical to operate a program for the 40 percent that are remaining; the needy children would be the losers. It would not only mean that we were cutting $700 million, but I think we would cut much more than that. I think the whole program would be on its way out.

Senator Dole. If you had the same amount of money under the block grant approach would there be merits to the block grant that we may not be looking at because we are talking about less money? That is, if you had the equivalent money, would it be a better program?

Ms. Martin. The universal school food service bill which has been pending in the House and the Senate for 3 years, is actually a block grant approach, if you want to call it that, because a certain amount of money would be provided for the States to take care of the nutritional needs of all of the children, so if the States had flexibility in the way they could use the money, and the grants were based on the total number of children in the State, and used exclusively for child nutrition programs, I think that a block grant approach could work.

Senator, at a time when there is a trend away from clearly identifying that funds must be spent for specific programs, we fear that a block grant approach would lead to funds being drained off from child nutrition programs.

However, an approach to block grants which would protect the use of child nutrition program funds exclusively for the use of child nutrition programs could be a beneficial approach.

Senator Dole. Right. I do not think we ought to lose sight of any advantages in such a program just because we are talking about less money. We might want to put the $700 million into the block grant program, if in fact it is more effective and would be more helpful to more children. That is, as I understand it, what we want to do and what you want to do, and what every witness wants to do. We can shoot it down because of less funding, but if there are some good aspects of the program, we should consider them. As I told the administration witnesses, it is difficult to tell without having seen it. We know generally now what it might be, but we should examine it thoroughly and perhaps increase the funding.

Ms. MARTIN. I would hope that at some point that we could take a look at all of the legislation for the child nutrition programs and arrive at a more administratively feasible approach.

Senator DOLE. Right, because we have overlapping and duplication.

Ms. MARTIN. Right. I think there is a need for that, but I personally do not believe that the present proposal would meet the needs that we feel—to effectively administer the program and take care of the nutritional needs of children.

Senator MCGOVERN. Ms. Martin, in that connection, are you aware of any involved group, the school food service people or the PTA's, or the educational groups that are supporting this present block grant proposal?

Ms. MARTIN. Mr. Chairman, I really have not heard of any group supporting the present block grant proposal. Last week this was presented by the Assistant Secretary to the National Advisory Council on Child Nutrition. I would say that, generally, the National Advisory Council on Child Nutrition did not give Mr. Feltner any encouragement for the block grant approach of the Department.

Senator MCGOVERN. I think that the response in the committee prints, that I submitted for the record, will show that the State directors of the lunch program are overwhelmingly opposed to fundamental changes in the way we are now handling the program. They would like to see it improved, but they do not see the block grant approach, particularly with less money, as a way to improve it.

Ms. MARTIN. That is correct. We are opposed to the administration's proposal on the block grant as it is now written, yes, sir.

Senator DOLE. It is not now written. That makes it even more difficult.

Ms. MARTIN. Well, OK. Some preliminary drafts of the legislation that we have seen and the discussions about it make us know that we can't support the approach.

Senator DOLE. Right.

Ms. MARTIN. Now, another comment that I would like to make about the block grant—and I realize my time is getting away very, very quickly—we have heard the Department say that the costs have increased drastically for the past 5 years for the child nutrition program, and this is true, but attachment No. 3 of my statement indicates that 69.4 percent of the funds for child nutrition are spent for the needy aspects of the program.

Five years ago, the Congress mandated that we should provide nutritionally adequate meals to all economically needy children. We support this, but we also think that once the Department makes a real big point of emphasizing the increased costs of these programs that we should comment on the amount of the budget being used for needy children.

Now, let me move on to say that we are also opposed to the administration's proposal to place a 5 percent ceiling on the increases in assistance for the child nutrition programs. The cost of producing a meal has increased a great deal, although the rates for paid lunches have increased from 8 to 11.75 cents, and for free lunches from 40 cents to 52 cents per meal since 1973. The total cost of producing a meal increased in this same period approximately 20 cents. Our schools in Georgia will need 7 to 10 cents more to provide the same lunch in 1975–76 as we needed in 1974–75. Our general assembly has provided an additional 2 cents per meal for next year, but still this leaves a need for 5 to 8 cents increase just to stand still.

Therefore, we urge that the proposal to place a ceiling on the escalator provisions be rejected.

Now, I would like to turn to S. 850 and S. 1309 and S. 894 very briefly. We would urge that this committee favorably report these bills. We particularly would like to comment on S. 850 because it extends appropriations authorities for the breakfast program and the special food program, which will expire June 30, and these are important programs. Their operations have indicated how valuable they are to the children.

Section 4 of S. 850 has to do with the State matching requirements. This amendment to the legislation is very important to the States that have a high percentage of economically needy children. It removes the 3-to-1 matching requirement from section 4 funds paid for free and reduced-price lunches. This amendment will not reduce the amount of money which is required to be provided by the State from State revenues.

This matching provision was written into the act when it was passed in 1946, and with the passage of Public Law 91–248 the 3-to-1 matching requirement to the National School Lunch Act became outmoded. Actually, what happens now in a State that serves 50 percent free lunches is that the State is required to come up with 68 cents from sources inside the State for each paying child. We would urge that this amendment, section 4, of S. 850, be approved.

We would urge that section 5 which would liberalize the present eligibility standards for reduced-price meals be approved. We have heard that some real expensive estimates have been given to the cost of this amendment. I would like to give you some case histories of what has happened when States have offered reduced price meals.

In Alabama where the reduced price meal is offered in all schools, only 2.5 percent of the total meals are reduced price. In Massachusetts where 75 percent of the schools offer reduced-price meals, less than 1,000 children a day take advantage. In New York, 1939 schools offer reduced-price lunches, and about 5 percent of the total participation is in the reduced.

In Georgia, 173 of our 188 school systems offer reduced-price lunches, and the reduced-price lunches amount to only 2.8 percent of the total lunches. We think this is an important amendment; we do not think it is going to be as costly as the estimates we have heard.

Senator McGOVERN. Ms. Martin, those statistics point up the fact, do they not, that the real backbone of the school lunch program are these paying students who put up the money for the meals, and are not those the ones that are really going to be hit by the administration's proposal as it now stands?

Ms. MARTIN. Yes, Mr. Chairman, this is the reason that we feel very strongly that we need to have some additional assistance for the paying children because many families that would qualify for reduced-price meals do not qualify because of pride. They would prefer to pay

35 or 40 cents for the lunch rather than to fill out an application and get a 20 cent meal. We would hope that this committee would look favorably on increasing the level of reimbursement—section 4 reimbursement so that at least the school districts across the Nation could hold the sale price another year without having to increase.

Within the past year, 1 million paying children dropped out of the school lunch program. Two years ago the Senate approved a 12 cent reimbursement rate for section 4. The House rejected the 12 cents. At this point, the section 4 rate is only 11.75 cents. You indicated even 2 years ago a need for 12 cent reimbursement for the paying child which we still have not gotten, and we need.

We would like to see as a minimum, the escalator provision of section 11 applied to section 4 payment.

I would also urge your support of section 8 which pertains to the commodity program. The Department of Agriculture has recently reported a survey which shows that the Department can buy food at a 7-percent savings over the school districts across the Nation.

Now, in major cities this may not be true, but taking all the school districts, the big ones and the little ones, the study averaged out a 7-percent savings in the use of commodities. We would urge that the commodity program be continued. Commodities are very important to our schools.

Senator McGOVERN. Ms. Martin, on this matter of the Federal commodities that go into the program—at breakfast this morning I met with a group of women who had flown in from my State from the Farmers Union who tell me that at least in some of the schools in South Dakota there has been a deterioration in the commodities in the program. They said, for example, that there is less meat going into the program than there was a year ago.

Now, is this the result of a local situation, or is there some failure on the Federal level that we are not aware of?

Ms. MARTIN. Senator McGovern, I am not aware of that problem. The statistics that I have about the availability of commodities and based on what our people in Georgia say this has been one of the best commodity years that we have ever had.

Mr. Searing will certainly be able to react to that.

Senator McGOVERN. Is that your experience?

Mr. SEARING. Yes, sir, we received many times more commodities than ever before.

Senator McGOVERN. That was certainly the intention of the Congress. I think what has happened is that some school districts that have been under intense budget pressure may have cut back their local contribution to the program. Is that the probable explanation if there has been a deterioration in inputs of meat and other commodities?

Ms. MARTIN. There must be some local problem because nationally we have heard that the commodities have really just been tremendous this year, and especially the meats. We have felt the loss of shortening and cereals very much down South because we make a lot of hot breads; the meats have really been super.

Senator McGOVERN. Well, we will go back to our local people and see what has gone wrong.

Ms. MARTIN. We do feel that the special food program and the summer feeding program need extending because these have made very important nutritional contributions to young people.

There are two more points, Mr. Chairman, that I would like to comment on very briefly. One has to do with the discussion over in the House concerning the nutritional standards of the National School Lunch Act. Schools presently have maximum flexibility in planning meals and varying portion sizes to meet the need of all children.

I am of the impression that Members of the House of Representatives did not understand this and consequently some changes were proposed which would destroy not only the nutritional soundness of the program for all children, but would encourage fiscal irresponsibility. The proposal could actually lead to Federal reimbursement being paid for a meal served to a child which consisted of only one food item.

If the language is changed from food served to meals offered, then a child could take one item on the menu, and the local district would be reimbursed for that. We feel that it would be bad nutritionally, and it also would be unsound from a fiscal point of view.

So we hope that this committee and the Senate will see that section 9 of the National School Lunch Act is retained as it is presently written and that the amendment to section 9 will be rejected.

Last week the National Advisory Council made a recommendation that section 9 be retained as presently written. The Council recommended however that the Department of Agriculture and State school food service directors develop some administrative procedures for use by local systems to help cut down on plate waste, to improve the consideration of local food preferences, to vary the sizes of servings to children. We feel this would be a much more positive approach to the problem than changing the law.

And finally, Mr. Chairman, we would urge that you give consideration to providing an increase in the section 4 payments, so that we can keep our program available to all children on a viable basis nutritionally and fiscally.

Senator McGovern. Thank you very much, Ms. Martin.

I think before we proceed with any more questions, we should give Mr. Stalker and Mr. Searing a chance for any additional statements they would like to make.

STATEMENT OF JOHN STALKER, DIRECTOR, SCHOOL LUNCH PROGRAM, MASSACHUSETTS DEPARTMENT OF EDUCATION, BOSTON, MASS.

Mr. Stalker. Mr. Chairman, members of the committee, as has been stated before I am John Stalker, State director of the Bureau of Nutrition Education and Schools Food Services in Massachusetts in the State Department of Education.

I would like to apologize for not having a prepared, typed statement for you, but I was not aware of the invitation until Friday afternoon, and as you are aware, our State offices were closed because of the Bicentennial kickoff in Massachusetts. Therefore, I will attempt not to duplicate much of the fine testimony Ms. Martin has given here on a section-by-section, but to give you the problem as I see it from the Massachusetts viewpoint.

In addition to being State director in Massachusetts, I also am chairman of the State director section of the American School Food Service Association, and in testifying before you today on S. 850, I am speaking on behalf of both agencies in support of all of the provisions of this bill, and I would like to be recorded in opposition to the administration's proposed block grant proposal as has been stated to date in the President's comments and in the press.

I represent a State which has considered itself a full working partner in what I believe Congress considered to be a three-way partnership of Federal, State, and local agencies in the administration of the several child nutrition programs operated under the provisions of the National School Lunch and Child Nutrition Acts. Our Massachusetts comprehensive school lunch legislation mandates the serving of meals in all of the schools in the Commonwealth. It also mandates that any school having 50 percent of the children from needy families provide a school breakfast.

The State board of education has under consideration a proposal to mandate the serving of reduced priced lunches as well, although we now have approximately 75 percent of the schools offering reduced prices in the Commonwealth. It also provides for State funds to supplement both paid and free meals as well as cash assistance in providing facilities for the preparation and serving of meals to children, and yet with this State assistance, supplemented with support from local educational agencies and that provided by Congress, we still have had to increase prices to children to the extent that thousands of those paying children upon which each community depends in order to operate an efficient program offering meals at a price children can afford are being forced out of our programs.

As a result, they can no longer afford the costs we are obliged to charge. We need the participation of these children if we are to attain maximum production and keep charges to children at a level which will encourage participation.

In the last 3 years in Massachusetts, we have increased the prices of children an average of 20 cents. Recent statistics released by the Department of Labor stated that as a national average, a family of four needed an income of $14,300 to maintain a moderate standard of living. In Massachusetts and in other States, to maintain the same moderate standard of living, it required an income in excess of $17,000, and we in Massachusetts at this time have an unemployment rate far in excess of the national average, which is now 11.9 percent.

The State also has currently a huge deficit and certainly could not afford to pick up the additional costs that we would need in order to provide the same services to children.

Additional statistics in the Department of Labor indicate that two-thirds of all of the families in the United States have incomes at or below $15,000. These are in families who are bearing the brunt of increased taxes and increased inflation. We continue to hear remarks such as, are we going to subsidize the children of the wealthy who attend our public schools. Actually the children of such families are attending private academies, and few, if any, of these children are attending our public schools.

The majority of the paying children in our schools come from the two-thirds of all families whose incomes are only sufficient to provide a moderate standard of living and for whom I believe we should provide a moderate measure of increased assistance in order to enable them to continue to provide their children with the opportunity to have a nutritious lunch daily. I would like to recommend that the committee consider a moderate increase in the section 4 reimbursement, with the stipulation that this added assistance be used to reduce the price charged to paying children.

Despite the additional State and local assistance we have provided in Massachusetts, the percentage of participation of children in the lunch program declined from a percentage of 75 percent to 59 percent in fiscal 1974. This means that we lost 16 out of every 100 children. This converts to a loss of approximately 16,000 children daily, or approximately 2,720,000 lunches in 1974. For this fiscal year, paid lunches for the period September through December have declined 1,814,467 lunches. If we continue at this level through June 30, 1975, we will have had a decrease of 3,628,934 paid lunches.

I believe this clearly indicates that we are pricing the paying children from moderate income families out of the program. I do not think that the increase of 100 percent in the income level for reduced price lunches will achieve the purpose of reaching many more children from families whose incomes fall within these guidelines, because under the 75 percent increase, we are reaching only a small percentage of the total number eligible. In Massachusetts, the reduced price lunches represent only slightly over 1 percent of the total meals served.

I believe that pride is keeping a majority of these families from making application for reduced price meals. Despite their economic need they are preparing bag lunches, which in most instances are inferior to the type A lunch which provides one-third of their daily needs.

I would also like to specifically support the provisions of section 8, which provides for the purchase of cereal, shortening, and oil products at the same level as in 1974, with the additional provision that these purchases be in addition to the value of commodities and/or cash provided under section 6 of this act. I support this provision because it would not be desirable for these foods to substitute for protein foods since not all schools can effectively use these items, whereas other schools have been specifically equipped to make use of these items, and this equipment is not now being used effectively. The loss of fresh, hot, homemade rolls and bread has also effected participation in many schools. Also when commodities are purchased, they reach the stomachs of the children, whereas cash in many instances, is siphoned off to cover other costs in the program.

Lastly, I would like to point out that at least 70 percent of the Federal funds that would be appropriated to support the provisions of this bill would go for support of needy children, approximately $118 would be spent on each needy child, whereas only $34 would be expended for paying children. If as stated in this act that it is a national nutrition and health policy to promote and provide funds for these child nutrition programs, then I believe that the Nation can afford to provide a moderate increase under section 4 in order to maintain the health of the Nation's children and assure that schools can maintain a viable and effective program to serve all children. We need to maintain as high a percentage of paying children as possible, or in many communities the programs will flounder, thus depriving both paying and needy children of the opportunity to have a nutritious lunch providing one-third of their daily nutritional needs.

Thank you for this opportunity to testify before you.

We will be happy to answer any questions you may have.

Senator McGOVERN. Thank you very much, Mr. Stalker.

I think again we will delay questions until we have heard from Mr. Searing.

STATEMENT OF LEE SEARING, DIRECTOR, SCHOOL LUNCH PROGRAM, BROWARD COUNTY, FORT LAUDERDALE, FLA.

Mr. SEARING. I will only take 6 minutes instead of the 10.

Mr. Chairman, members of the committee, my name is Lee Searing. I am director of School Food Service in Broward County, Fla., where we serve about 80,000 lunches a day in 144 schools.

I am grateful for the opportunity to testify before you on behalf of the American School Food Service Association.

We in the association are most grateful for the efforts of the Congress and for legislation which has done so much to improve the nutritional status of boys and girls across the Nation.

Today we come before you to urge you to reject the administration's 1976 budget proposal which would repeal and supersede all existing child nutrition legislation and provide a bloc grant to States with a reduction in current spending for child nutrition programs of $600 million. This proposal would have the effect of increasing the sale price of lunches to about $1 a lunch which would be far beyond the reach of middle income America. As a result, the program would become one for the free lunch student only resulting in an overt identification of students participating in the program or reverse discrimination. At the same time, there would be inadequate participation to support the program financially.

In Broward County this would mean that with 50 percent of our lunches being served free or at a reduced price, that our program would be cut in half. A 50 percent reduction in the 1,000 member labor force currently working in school food service would be another serious blow to the economy. Middle income students who could not afford the dollar lunch and who may well be as nutritionally deprived as free lunch students would be eliminated from the program.

Although the block grant proposal sounds good from the standpoint of saving money in an inflationary-recessionary economy in my judgment it would have the reverse effect and further the unemployment and other recessionary aspects. States, local boards, and students would have to make up the difference in order to carry on the program. However, paying students cannot afford dollar lunches.

A memo from the Broward County Superintendent of Schools last week reflects the financial situation at the county level. The memo reads in part:

> I am sure all of you understand that we are in a severe budget position. One cannot say that any reduction in staff at any level would not in some way reduce the effectiveness of that particular department or division; however, if the number one priority is the program for boys and girls, we really do not have much choice.

At the State level, the reimbursement for free and reduced price lunches has already been cut for consideration by the State legislature.

Additional cuts by the legislature in this budget would not be at all surprising; therefore, any cost not picked up through Federal reimbursement would have to be borne by the participating, paying student and this additional cost would be prohibitive.

Broward County is a good example of a district with high sale prices and low participation. Perhaps the sale prices were the highest in the Nation when they were raised at the beginning of this year to 60 cents in the elementary school, 70 cents in the middle school, and 75 cents in the senior high school. As a result, the first month's average daily participation reflected that 12,000 fewer lunches a day were served than the average daily number for last year. This position has improved until currently the difference is only 3,000 lunches a day less than last year.

The total number of type A lunches projected to be served this year is 1.8 million less than 2 years ago. This is not a healthy situation as participation continues to decline with rising sale prices. However, effective April 7, 1975, the school board decreased the sale price of lunches 5 cents. We have now been operating only 1 week with the new sale prices. Data available at this time indicate about a 3.2 percent increase in participation. Elementary schools increased 2.1 percent; middle schools 4.6 percent; and high schools 4.7 percent. I believe in a week or two that we will see an even greater increase in participation.

Broward County is one of the highest cost of living counties in Florida. The cost to produce the lunch is greater than in many other parts of the State. This is the primary reason for higher sale prices. At budget time last summer, prior to the beginning of school, it was anticipated that the food cost would again increase 32 percent as it had in the previous year; however, this did not occur and along with increased USDA donated foods at a value of approximately 10 cents per lunch, and increased revenues from students the financial gain was adequate for the Board to vote favorably to reduce the cost of the lunch to the child. However, it is still too high to have the kind of participation that we should have. For example, currently only 52 percent of the students in average daily attendance are participating in the national lunch program. Even counting incomplete lunches, our current participation is only 60 percent. In my view, our percent participation would jump to 85 percent or higher if the sale price were at a level that most students could afford to pay.

PROGRAMS TO BE ELIMINATED

The administration's budget proposal for 1976 would also eliminate other child nutrition programs which are doing so much to improve the nutritional status of boys and girls and to improve the pupil-teacher relationship. These include the school breakfast program, special milk program, summer feeding program, special food service program for children and the feeding program for women, infants and children along with the USDA commodity program.

At the same time the nutritional requirements of the type A lunch would be dropped in favor of local determination of what would constitute a reimbursable meal. As a local director of school food service, I would not want this responsibility since it would not be my determination alone. Although I am perhaps qualified to set forth standards for the program, and they would be type A, with no standards at the Federal level, my view is that there would be no standards at the local level since local administrators would not be willing to go beyond the standards developed at the Federal level as a prerequisite to the receipt of Federal funds.

The breakfast program which came into being with the Child Nutrition Act of 1966 is presently in only 12,000 schools across the Nation. In the minds of many participating principals, if they had a choice between the breakfast program and the lunch program, they would choose the former for the good that it does for boys and girls early in the morning at which time the heaviest part of the curriculum is made available to students.

Senator McGovern. Mr. Searing, in connection with that point, do you have any ideas of steps that might be taken to get the school breakfast program moving on a larger scale? I agree with the observation you have just made, that perhaps it is the most important meal of the day. I think a lot of nutritionists would argue that giving a child a good breakfast to start the day is perhaps more important than anything else. What in your view could we do to involve more students in the breakfast program?

Mr. Searing. I think the two biggest deterrents are bus schedules and supervision in the dining room. We find if we can overcome these, then they are happy to participate in the program. Of course we also find that after they get into the breakfast program, and I am speaking of principals and administrators and so forth, they are very happy with the program, and they say this is not really a problem. But with as much pressure on principals as they have today, particularly in Broward County, where we are completely decentralized and they put the budget entirely in the hands of the principal, they are reluctant to take on any more responsibility. So I think if you could overcome this bus scheduling and the supervision, that we would be successful.

Senator McGovern. Did you want to add something to that, Ms. Martin? I thought you were trying to get recognition there.

Ms. Martin. Yes, sir. I think also we need a definition that permits breakfast to be served at times other than at the beginning of the school day—we have a restrictive definition from USDA that indicates that breakfast has to be served at the beginning of the school day. In some schools, particularly with open campuses and variations in high school scheduling, we might offer breakfast as a brunch, and I think we would be able to reach more young people.

Senator McGovern. That would also get at this bus schedule problem, would it not, Mr. Searing?

Mr. Searing. Yes. We serve some breakfasts around 9:30 or 10 o'clock in the morning. But we did not mention that to the USDA.

As far as USDA-donated foods is concerned, and I was concerned with your comment, Mr. Chairman, because this year in Broward County to date we have received the largest amount of USDA-donated foods ever received in a single year. Without these foods we would be in the red financially by more than three quarters of a million dollars and would not be able to operate beyond the middle of next year. Certainly the commodity program has been the backbone of child feeding programs for many years. The recent legislation which provided an escalation clause and a guaranteed per lunch value of commodities has been a major asset to local school food service directors in wisely planning budgets. Heretofore it has been feast or famine at the whim of the administration. To replace this program with cash even if it were on a 100 percent equal basis would be detrimental to our program for we cannot buy food products at the low cost that the Department of Agriculture can for the large quantities that they purchase. We have researched this and added the delivery cost and find that a majority of items can be purchased by the USDA at a lower cost than we can buy food items on the open market delivered to the schools. If close cooperation with State and local districts is maintained as to commodity preferences purchase satisfaction can be improved; however, to drop the program for just cash would increase our cost and decrease the efficiency of operation. Also, most important is the need at the local level for a variety of donated foods for good menu planning rather than tremendous amounts of a few items.

Nutritional standards must be mandated at the Federal level, in my judgment, and maintained at the local level. These standards must equal or exceed but not be less than those prescribed. The most important aspect of the program, the nutritional adequacy, cannot be put in the hands of the individual school food service directors, boards, administrators or managers. A positive nutritional standard must be maintained in order to be eligible to receive the benefits of the program so that the child is not exploited. Leaving the nutritional standards to personnel at the local level would result in a tremendously rapid deterioration of the program since taking food off the plate results in greater revenues and lower cost resulting in a larger financial gain—the sole criterion upon which success in the program is measured as far as administrators are concerned.

From one who has worked very closely with the school food service programs for the past two decades at both the State and local levels, it seems that recently we have been hearing more about plate waste in the national school lunch program. In fact, this has been discussed in the House with suggested verbiage to reduce waste but which could be detrimental to the program. At the same time, it would appear that plate waste became more of a factor following the failure of Congress to come up with legislation to control nonnutritious snacks and with a watering down of USDA regulations which permitted the sale of these nonnutritious snacks at any time.

Perhaps there is a correlation here which would require further research. Certainly, if a student is permitted to consume confections of his or her choosing prior to entering the cafeteria for their lunch, they will be less likely to consume the nutritious foods served to them and throw more of the meal away, thus increasing amounts of garbage and plate waste. It would appear to me that as far as Broward County is concerned, the plate waste concern is totally out of perspective. In an effort to arrive at what the facts are we did a survey of an elementary, middle and high school for 2 days, April 15 and 16, 1975. Our survey revealed that plate waste amounted to less than 2 percent to a high of 5 percent. I have an exhibit here attached to my statement.[1]

Therefore, it would appear that with the implementation of a good nutrition education program by involving the students in menu planning, motivating them through familiarizing them with new foods, and providing adequate time to consume the lunch the plate waste problem is not as great as it would appear. It would be my view that there is a correlation between the degree of sophistication a program has attained and the amount of plate waste that they have.

---

[1] See p. 72.

In my opinion, it is time that we look very seriously at the total feeding programs available in this country for all not just those who are unable to pay the full cost of the meal, and not only those who are of school age. Research and experience have shown the tremendous importance of food in our daily lives and its relation to good health and also as a possible deterrent to crime, particularly during the recession of the economy. Pehaps we should look at our priorities and the expenditures of our tax dollar. Is there a balance in spending the tax dollar? Are roads being built better than people are being fed? Are we treating people overseas better than we are treating people at home?

Through increased productivity and a subsequent increase in the Gross National Product, cannot we invest in the health and well-being of people and meet their needs for a better tomorrow?

Thank you.

I will be happy to answer any questions.

[The following information was referred to on p. 71.]

EXHIBIT A

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA, SCHOOL FOOD SERVICE DEPARTMENT, PLATE WASTE STUDY, APRIL 15-16, 1975

School	Number served	Percent EN	Total pounds waste	Food weight per plate (ounces)	Ounces waste per plate (ounces)	Percent per plate waste
Broward Estates Elementary	465	60	15	13.18	0.50	4½
Do	401	66	5	10.08	.20	2
Olsen Middle	638	44	45	20.8	1.13	5
Do	645	66	9½	14.6	.23	1½
Dillard High	545	75	17	20.3	.40	2
Do	586	79	14½	14.6	.81	2½

Note: Menu for Apr. 15, 1975—Spaghetti and meat sauce, tossed green salad, fresh fruit, french bread, and oatmeal cookie. Menu for Apr. 16, 1975—Frankfurter, tater tots, peaches, bun, and cake.

Senator McGovern. Thank you, Mr. Searing.

Mr. Stalker, I wanted to get your comment on one of the points Mr. Feltner made earlier when we drew attention to the $700 million cut in overall programs and what this would mean to the children at the State and local levels. He said the option would be open to the local States and the local communities to pick up that cost.

I know you are very familiar with the situation in Massachusetts. If we were to go ahead on that basis, what would be your comment on the capacity of State and local entities to cover that additional cost, or to transfer it to the backs of the middle income families?

Mr. Stalker. As I stated, we are encountering a heavy budget deficit in our budget this year, and the Governor is taking all of the steps to cut wherever he can in order to balance the budget. But certainly our chairman of the Joint Committee on Education stated after reading the administration's proposal in the paper, that although Massachusetts has gone a long way for many years in providing additional cash assistance, it could not possibly pick up the difference in lost Federal funds that would be needed in order to support the program at its present levels in Massachusetts. I am certain that though we have excellent legislation, we would find proposals to change that level of support which we have been providing, because we have what I would consider sort of an open-ended appropriation that says the State will make up the difference between the extent Federal funds go to meeting the maximum payments in the Federal regulations, and also in supporting the free meals.

Now, that would mean that if the legislation stayed as it is, the State would have to provide for the loss in Federal funds. But he emphasized that they could not do it. So I am sure that we would find our legislation being modified so that we could not; and of course, as has been pointed out, the increasing costs that we have now in the lunch program is more and more of the schools, also schools are continuing summer programs, so that the funds would not be adequate to meet the needs of even the poorer children. Again, as I pointed out, in Massachusetts we mandate a breakfast program in all schools having 50 percent or more needy children and certainly we could not do that with the amount of moneys that are proposed in the Federal budget.

Senator McGovern. Senator Dole, do you have any additional questions?

Senator Dole. No; I do not believe so. I have listened to all of the testimony and I have not heard anybody suggest that there be less Federal money for anything. Everybody comes in saying we must have more of this, we must have more of that, and we should increase section 4, but I do not know where the money finally comes from. I have heard the speeches about reordering our priorities, but as a member of the Budget Committee we may have to reorder some of the present programs and realine some of the present programs, and the States may have to have a larger input. I do not have any quarrel with anything you want, but I am not certain I can vote for all of it because I think there is a larger picture. It makes a great deal of sense to want to do all of these things that have been mentioned. I am certain they are going to be repeated 18 times today, but we have to be realistic. We are in a recession. The Federal Government cannot be any better off than the State of Massachusetts, or the State of Georgia, or the State of Flordia. I do not know what your State has done as far as any increase.

Senator McGovern. We got General Thieu off the payroll now.

Senator Dole. That will help, and we are probably going to get another $18 million off the payroll. But they lost their freedom in the process. I do not know what the answer is.

Does anybody have any recommendations to reduce the costs?

I think the record should show that not a single witness offered a bit of testimony that we reduce the cost of one program. There is no waste in your programs, is that correct?

Mr. Stalker. Certainly there is a limited amount of waste in programs.

Senator Dole. I thought it was all in the Defense Department.

Mr. Stalker. I will say that I tried to make a point that we were one of the few States that had provided a sizable amount of funds to support this program. In fact, prior to performance funding, we provided more money from State funds than was provided by the Federal.

Now, I was making a strong point to say we really give support in our State, and yet we are up against declining participation.

Senator DOLE. I understand that, and I can understand the reason for it. Somebody suggested 16 percent, or 16 out of 100, who dropped out. I do not argue with that. I do not suggest that the administration's approach is the correct one. However, it is well to remind the witnesses that we have a large Federal deficit that is getting larger each year, and it is hurting the economy which is having an impact on all of these children. They are going to have to pay for it when they are old enough. If we keep spending it, they will never get it paid in their lifetime.

Ms. MARTIN. Senator, in Georgia we also have a sizeable State contribution. Next year our State will be putting 7 cents per school lunch into the program, and our State officials have done this in order to keep the sale price low, or as low as possible. We serve 83 percent of the children school lunches every day.

Now if this program were eliminated, we would have many school food service employees going down to the unemployment office and getting unemployment benefits. So they would be getting Federal funds from another source without making the great contribution to the nutrition and the educational needs of the children.

Senator DOLE. I do not suggest that we terminate the programs. I suggest that we have to be realistic. I do not know anything easier than to ask for more money and anything easier for me than to say I am for it. Then everyone goes home happy, except some unborn taxpayer.

Senator MCGOVERN. Thank you. We appreciate your testimony.

[The prepared statement of Ms. Martin follows:]

STATEMENT OF JOSEPHINE MARTIN, ADMINISTRATOR, SCHOOL FOOD SERVICE PROGRAM, GEORGIA DEPARTMENT OF EDUCATION, AND CHAIRMAN, LEGISLATIVE COMMITTEE, AMERICAN SCHOOL FOOD SERVICE ASSOCIATION, ATLANTA, GA.

Mr. Chairman and Members of the Sub-Committee: I am Josephine Martin, Administrator of the School Food Service Program in the Georgia Department of Education. I also serve as chairman of the Legislative Committee of the American School Food Service Association. The American School Food Service Association is a professional organization of 50,000 school food service personnel concerned with the nutritional needs of all children.

May I take a moment to express appreciation for the leadership of the Committee on Agriculture and Forestry for the continuing interest in and support of child nutrition programs. Through the initiative and leadership of the Committee and especially of this sub-committee, tremendous gains have been made which have strengthened and expanded child nutrition programs.

On the eve of the Thirtieth birthday of the National School Lunch Act, it is especially important to pay tribute to this Committee, because it was in the Senate Committee on Agriculture and Forestry that the concept of a national school lunch program for all children was born.

Since its inception the National School Lunch Program has had as its single purpose the improvement of the nutritional status of all children in school. To help achieve this purpose Congress has provided assistance in the form of cash grants and donated foods. State and local governments have contributed to the program to keep the sale prices low and to keep the program available to all children. As a result, all children in participating schools, regardless of family income, are able to secure a lunch at school, and for those not qualifying for a free lunch, at well below the costs of producing the meal.

A key element in the program is the national standard for the nutritional quality of the lunches served. When the Act was passed, nutritional standards were required to assure that children would be served a balanced meal.

Each lunch must contain milk, meat or meat alternate (such as cheese, peanut butter, etc.), fruits and vegetables, bread and butter. Schools have complete flexibility in combining or offering wide choices of food items to meet this standard. This lunch, called the "Type A" provides ⅓ of the child's daily food needs.

From this early concept, a nutrition program for the general welfare of the nation, has evolved a sound nutrition program for all children and one which has operated extremely well for the past thirty years.

ASFSA is grateful for the privilege of appearing before you today. Specifically, I wish to address my remarks to:

(1) The President's Proposal to repeal all child nutrition legislation and substitute a block grant which would reach only the neediest children.

(2) The President's Proposal to place a 5% ceiling on increases in reimbursements.

(3) S-850 (and HR 4222—pending in the U.S. House of Representatives) The National School Lunch Act and the Child Nutrition Act Amendments of 1975.

ASFSA opposes the[1] *Administration's Proposal to repeal all Child Nutrition Program legislation.*—The administration's block grant proposal turns its back on the work of this Committee and the Congress in the establishment of a Child Nutrition program for all children; it turns its back on 60% of the children who are now receiving lunches each day at school; it weakens the nutritional standards for all children. In addition to the adverse effects of the proposal on paying children, the abolishment of the present legislation would have adverse affects on poor children, the food industry, the labor market.[2] With 60% of the students paying for their lunches, many schools would simply not be able to continue a lunch program if federal assistance were withdrawn. It would not be economically feasible. So the poor children would lose, nutritionally and educationally. The proposal would eliminate the breakfast program, the special food program, the WIC program, the opportunities for developmental projects, and most important the nutritional standards.[2]

Mr. Chairman, and members of this sub-committee, there is an issue that causes me great concern. Each time the Administration discusses the "block grant" approach, an attempt is made to justify the approach in terms of the rapidly increasing costs of the Child Nutrition Programs. It seems that their proposal to cut spending is to eliminate the program as a nutrition program for all children, and to substitute a skeleton program for poor children (which could only be classified as a social welfare program).

There has been a sizable increase in federal expenditures required to support the school lunch and child nutrition programs but the increased cost of the past 5 years did not occur because of the "traditional school lunch program".

In 1970 Congress mandated the service of free lunches to all needy children. The ASFSA supported this legislation and has supported successive Acts of Congress since 1970 to carry out this mandate. We are very proud that there are now nearly ten million children receiving free or reduced price lunches at school.

However, let us look at what this progress has done to the cost picture for the Child Nutrition Programs. According to USDA figures the school lunch and breakfast programs will cost $1.7 billion this year in federal expenditures. Seventy percent of this total amount or $1.2 billion will be spent to finance lunches and breakfasts for the ten million needy children. In contrast, a little over $500 million is being spent on the fifteen million children who pay the regular price for lunch in schools. On a per child basis $118 is being spent for each needy child in comparison with about $33 for the paying child.

And let us look at other Child Nutrition programs authorized under the National School Lunch Act but not operated in schools:

First, there is the Special Food Service Program which includes year-round pre-School programs and the summer feeding programs for children. Together these two operations will cost $115 million in FY 1975; some 90% of this expenditure will be for needy children.

Second, there is the Special Program for Women, Infants, and Children which will cost $126 million this year. This program is limited to the needy.

We support these programs totally. We should not lose sight of the fact, however, that the National School Lunch Program is the major vehicle for improving the nutritional status of all the children in the nation. In this prolonged period of inflation and higher costs of operation, additional funds are needed to keep this nutrition program on a viable basis.

---

[1] See Attachment 1—ASFSA's Position Statement.

[2] See Attachment 2—Comparison of provisions of Block Grant with present legislation.

Attachment 3 describes the division of federal expenditures under the National School Lunch Program between needy and non-needy children for FY 1975.[3] The chart shows that the greatly increased costs of these programs have come about because of the increased commitment to providing nutrition for the economically needy children of America. Therefore, the Administration's claim that the food programs absorb ⅔ of the USDA budget, and the proposals to cut-back in this important area should be perceived as measures of saving money rather than as measures to improve the nutritional well-being of America's people. Their complaint reflects program success.

The basic school lunch legislation is sound. It has provided school nutrition programs that have helped all young people who take part to have balanced meals and to have the classroom learnings about food and health habits reinforced through the eating experience. We urge you to reject the President's proposals to repeal the legislation which has 30 years of success for an unknown program which would offer fewer opportunities to fewer children.

We are opposed to the proposal to place a five percent ceiling on the increases in assistance for the Child Nutrition Programs.—We are grateful to the Congress for providing the escalator provisions in the funding patterns for the lunch, breakfast, and donated foods programs. These increases, particularly the provisions for the free and reduced meals, have made it possible to continue serving quality meals during this highly inflationary period.

The costs of producing a school meal has escalated more rapidly than the escalator provisions, as these provisions are limited to reimbursement and not costs.

Although there has been an increase since 1973 in rates for paid lunches from 8¢ to 11.75¢ and for free lunches from 40¢ to 52.5¢ per meal, the total costs of producing a meal increased in this same period by approximately 20¢. The schools are faced with increased food costs, increased labor costs and now exorbitant increases in fuel costs. Mrs. Agnes Poindexter, Tuscaloosa County Schools, reports that the electric bill in one school in her county was 10¢ per lunch. Georgia schools will need 7¢ to 10¢ more to provide the same lunch in 1975–76 than was required in 1974–75. Our General Assembly has provided an additional 2¢. But this still leaves a need for 5¢ to 8¢ increase just to stand still.

Studies document that for each 10% increase in sale price, there is a 6% decrease in participation. Decrease in participation results in higher operating costs; for each 10% decrease, the labor costs are increased 2% per lunch.

We therefore, urge that you reject the Proposal to place a ceiling on the escalator provisions contained in the laws; we would rather urge you to provide additional funds to help keep the paying children in the program. We would ask that you consider some provision to apply the Section 11 escalator to the Section 4 payments.

It is good to turn from the negative proposals and to look at some positive proposals for Child Nutrition. We support S–850 as it contains some important provisions necessary to the continuation and expansion of the Child Nutrition Programs.

First, it extends the appropriations authorities, which would otherwise expire on June 30, 1975, for two important child nutrition programs—The Breakfast Program and the Special Food Program for Children.

Second, it clarifies and simplifies federal and state administration in certain aspects.

Third, it improves the program's potential for responding to the middle American by expanding the reduced price program provisions.

Fourth, it gives school food service administrators assurance of direction regarding donated foods.

The breakfast program has proven to be very successful as a means of helping children to maximize their educational opportunities. This program was originally authorized in the Child Nutrition Act of 1966 and has since been extended on at least two occasions. School administrators need to know in May if there will be a breakfast program in September.

The effectiveness and acceptance of school breakfast by parents and school administrators lead us to recommend that it be extended on a permanent basis and that efforts be made to expand the program's availability to more children.

---

[3] See attachment 3—Division of Federal expenditures under the National School Lunch Programs between Needy and non-needy children, FY 1975.

Section 4 of S-850 is very important to states that have a high percentage of economically needy children. It removes the three to one matching requirement from Section 4 funds paid for free and reduced lunches. This amendment will not reduce the amount of money which is required to be provided by the state from state revenues.

The amendment, however, would affect the overall three to one matching requirement set forth in Section 7 of the National School Lunch Act. This matching requirement was established in the original National School Lunch Act of 1946. Although the history indicates that Congress never intended for children's payments to count as matching, the USDA has allowed such payments to count for matching purposes.

School lunch participation has changed drastically since 1970 and PL 91-248. In 1946-47 only 10% of the lunches served were provided at no cost to poor children. Today nearly 40% of all lunches are served free. Accordingly, the percentage of total income from children's payments has declined sharply to the point where they will be unable to maintain the tree to one matching contribution from all sources within the states. The law only requires matching of Section 4 or general cash for food assistance funds.

The problem is aggravated by the USDA's directive that states must pay the same level of Section 4 funds for free as for paid meals.

By imposing this requirement, the USDA is saying in essence that for each free meal served, the state must get 34¢ from sources within the state. This could mean for a state with 50% free lunches, that each paying child would have to pay 68¢. The present law and the present interpretation both need revising. Otherwise, states with high percentages of economically needy children will not be able to meet these matching requirements and consequently in those cases federal Section 4 funds will be reduced in those states.

The three to one matching requirement of the National School Lunch Act became out-moded with the passage of PL 91-248 which provide for free or reduced price lunches as a right for economically needy children.

Section 5 of S-850 would liberalize the present eligibility standards for reduced price lunches. Under this amendment, children from families with incomes up to 100 percent above the poverty guideline would be eligible for a reduced price lunch—an increase from 75% in the existing law. Since the inflation spiral began two years ago, which caused school lunch prices to increase, more than 750,000 paying (middle income) children have stopped buying school lunches. Our participation has decreased from 85% to 83%; the decrease is related to sale price.

An April 8, 1975 release from the Labor Department indicates that an urban family of four now requires an income of $14,300 annually to maintain even a moderate standard of living.[4] The amendment to increase the eligibility level for reduced price meals would not touch that family, but it would help a group far below that level. This amendment would provide that children from a family of four earning $8,640 per year would be eligible for reduced price meals.

Families who fall into this income bracket are young families; often headed by only one parent, and these are the families suffering the most from our present economy. They are having to make choices which affect the health of their children.

If the light bill doubles, they must pay the bill or have the lights turned off. If the school lunch cost is too high they make a substitute which may impair their children's health and education. The impairment to the child's health is not as visible as having the lights turned off.

Although the provision of eligibility for reduced price meals would create a tremendous opportunity for young families, it is not anticipated from past experience that large numbers of eligibles would take advantage of this opportunity. Principals report that many families who would qualify do not apply because of pride; in many schools the reduced price option is not made available to children. It would seem logical to require schools to offer reduced price meals just as they are required to offer free meals. An amendment was approved on the floor of the House of Representatives which would make this provision mandatory.

There have been some very costly estimates to this amendment. In our opinion. the estimates are exaggerated based on performance in states which offer reduced price meals. In Alabama where the reduced price meal is offered in all schools, only 2.5% of the total meals are reduced price; in Massachusetts, where 75%

---

[4] See Attachment 4—Plight of Paying Child.

of the schools offer reduced price meals, less than nine thousand children took advantage of the reduced price; in New York, 1989 schools offer reduced price lunches, and about 5% of the total participation is in reduced price lunches. In Georgia, 173 of Georgia's 188 school systems offer reduced price lunches, and this amounts to 2.8% of the total lunches served. And in Montgomery County, Maryland, reduced price lunches have been offered in all schools for the past three years. All possible outreach efforts have been made to encourage parents to apply. Still only one thousand children are receiving the reduced price lunch. Total participation for the entire county is forty thousand: 4,300 of these are free and one thousand reduced.

This is an important amendment to the program and would make lunches available to more children and we would urge that it be accepted.

However, the past record of performance does not indicate that it would by any means have appeal to all families in this income bracket. This is one of the many reasons we appeal for additional help for the lunches for the paying child. Those prices must be stabilized.

Section 8 extends the special authority for the Commodity Distribution Program for schools for three years and provides for the distribution of cereals and oils to the School Lunch Program.

Cereals and oils were not available to the lunch program during this fiscal year; although, in prior years they had been made available by USDA on an unrestricted basis. The bill provides that these foods would be made available in addition to other foods or cash grants made available under Section 6(e) of the School Lunch Act. We urge you to consider approving this amendment.

Section 9 provides that 75% of the funds appropriated for commodities would be used by the department to purchase foods for school distribution. This would help school administrators know how to plan and budget for school food service. It is essential that a level of distribution be established. Commodity foods are highly respected and effectively used by most schools. Knowing what is expected helps to plan storage and transportation within the system.

Section 12, 13, 14 and 15 of S-850 deal with the Summer Food Program and the Special Food Program for Children. Legislation for both these programs expires June 30. Both programs have proven their value in meeting a specific nutrition need for poor children. We urge you to extend these programs. Everyone agrees that the existing legislation has some flaws, and the levels of payment are not inadequate. This legislation attempts to correct the deficiencies of the existing legislation.

Mr. Chairman, S-850 contains many important provisions for the Child Nutrition Programs. We sincerely hope that you will favorably report this bill There are however, two additional areas on which I wish to comment as a result of the action of the Education and Labor Committee of the House and of discussions in that committee and on the floor of the House of Representatives when HR 4222 was being considered.

First, Section 9 of the National School Lunch Act provides for nutritional standards for meals served. Schools have maximum flexibility in planning meals and varying portion sizes to meet the needs of all children. I am of the impression that this was not understood in the House and some changes were proposed which would not only destroy the nutritional soundness of the program for all children, but would encourage fiscal irresponsibility. The proposal could actually lead to federal reimbursement being paid for a meal served to a child which consisted only of one item. If children are allowed to take only those foods they know and like, the program objective of helping children learn to eat a variety of foods will be negated. Children in the Northwest have learned to eat peanut butter and children in the South have learned to eat purple plums.

On April 15, 1975, the National Advisory Council on Child Nutrition Programs recommended to the Secretary of Agriculture that no changes be made in Section 9 of the National School Lunch Act. The Council did recommend, however, that "as a means of increasing the acceptability of school meals, decreasing plate waste, and making more efficient use of funds, that provisions be made for the USDA and the state school food service directors to develop administrative procedures for use by local systems that will maximize the techniques to (1) increase the offerings available, (2) vary the portion sizes on an individual basis, (3) involve students in planning the food service in secondary schools, and (4) provide realistic schedules for the lunch period with respect to timing and duration that would encourage participation and otherwise minimize food waste."

We solicit your gift of another chance to respond to the criticisms in a positive way rather than by destroying the nutritional aspects of the program by changing Section 9 of the Act.

Now to the final point. There has been much debate regarding the need for increasing the support for the paying child. The middle income family, the hardest hit of all income groups with the present inflation-recession, is being priced out of the school lunch program. Although the number of children participating in the lunch program in the past five years has increased there has been a marked decline in the number of children paying for their lunches. The total number of lunches has increased to 25.7 million in February, 1975; the number of free lunches has increased from 7.4 in 1970 to 9.9 million. The number of paying children has declined from 18 million to 15.3 million, a drop of 2.7 million children. From January of 1974 to January, 1975 alone, the decline was one million children. This overall decline of 2.7 million children has occurred despite the fact that nearly four thousand additional schools have entered the program since 1970. These four thousand schools have an enrollment of 2.3 million children.

The cost of producing nutritionally balanced lunches has risen because of higher food and labor costs as well as costs of other items such as utilities, transportation and supplies used in preparing and serving lunches. Since 1967, the cost of producing lunches has increased by nearly 70%, as measured by the Bureau of Labor Statistics index of the cost of food away from home. In the past year, the increase has been over 12%, and at the same time the increase in the reimbursement payment increased only 1⅛¢.

To meet this situation, the schools have been forced to increase their sale prices, with the result that more and more parents simply are not able to stretch the family food budget so that their children can eat lunches at school. A chart is attached as Appendix which shows what has happened to participation of paying children in five Georgia school systems in the past two years.

I am aware, Mr. Chairman, of the serious budget deficit problems facing the Congress. I would ask however, that consideration be given to increasing the assistance for lunches to paying children, at least to the point that schools will not have to increase the sale price again in September. The children of this country provide our hope for tomorrow. If they are equipped with malnourished bodies and minds through lack of proper nutrition and education, our hope becomes dimmed. Many states have begun to provide funds for helping to keep the lunch price low, and local systems are contributing very heavily both in direct and in indirect ways. We ask that this committee come to the rescue of the schools. Even the application of the Section 11 escalator provision to the Section 4 payment would be a great help. (Extra payment should be excluded, from matching requirements.)

Mr. Chairman and Members of the Sub-committee: I wish to thank you for this privilege of testifying before your committee. I will be pleased to answer questions now or after other members of the panel have presented their statements. The American School Food Service Association looks to you for continuing to initiate and enact legislation that will move us toward our goal of "safeguarding the health and well-being of all children through nutritionally adequate meals." It is our belief that S-850 is one more positive step in that direction.

[Attachment 1]

POSITION OF THE AMERICAN SCHOOL FOOD SERVICE ASSOCIATION ON THE PROPOSED REPEAL OF EXISTING CHILD NUTRITION LEGISLATION

STATEMENT OF THE PROPOSAL

President Gerald Ford proposes legislation that would repeal and supersede all existing child nutrition legislation and substitute a single consolidated block grant program. The proposal would provide subsidies only for poverty children, eliminating financial assistance to all other children including those now eligible for reduced price meals. The proposal specifically eliminates the National School Lunch Program as operated since 1946, the Breakfast Program, the Special Milk Program, the Special Food Service Program for Children and the Nutrition Program for Women, Infants and Children (WIC).

Even the program for poverty children would be cut back. The nutritional standards currently specify that ¼ of the child's Recommended Dietary Allowance (RDA) will be met by the breakfast program and ⅓ of the child's Recommended Dietary Allowance will be supplied by the school lunch. The new legislation will provide a maximum of ⅛ of the poverty child's Recommended Dietary Allowance. Minimum nutritional standards will be eliminated and states will be free to set their own standards if any.

ASFSA POSITION

It is the position of the American School Food Service Association that there are strong and compelling reasons for total and complete opposition to the President's proposal (to be known as "The Child Food Assistance Act of 1975"). We cite the following specific reasons why these child nutrition programs now in effect should not be repealed nor curtailed:

1. The President's proposal eliminates the present assistance for the paying child, those guarantees of nutritional integrity and adequate federal support to assure program continuation.

All children need one or more nutritionally adequate meals at school. The meals must be physically and financially within the reach of every child.

In a vast majority of schools, the poverty program alone would not support a viable school food service operation. With meal prices soaring to eighty cents and higher, pupil participation in these programs would be forced down dramatically.

The unit cost of production would rise as the volume of meals decline. Consequently, many school food service programs would be closed completely, depriving even the poverty child of school meals.

The Administration's proposal runs counter to its own findings reported in "The Comprehensive Study of Child Nutrition Programs," July 1974, page 56. The study states:

> Given the assumed strong relationship between price for the paying child and participation, any program alternative must first start by advantageously affecting the price paid. This aspect is further affected by the need to maintain a participation ratio—no matter what the percentage of total enrollment represented—closely parallel to the social makeup of the school.

Our nation must be made aware that the President's proposal would transform our present approach of child nutrition programs for all children into a new approach of poverty programs for some children. This poverty program would not even guarantee adequate nutrition for that poverty child.

ASFSA finds it tragic that just at the time of the nation's dawning comprehension of the relationship between nutrition and health, just at the time of documented proof of the relationship between nutrition and learning, just at the time of growing public acceptance of food and nutrition as a contributing factor to the quality of life, this Administration proposes to turn its back on 30 years of progress in child nutrition! The psychology of the soup kitchen has returned.

2. The President's proposal imposes additional hardship on middle income America. It makes the poverty child more aware of his poverty, and deprives many another child of his birthright—enough to eat.

Middle income America needs help. At a time when the average American taxpayer is struggling to pay his own bills, to grapple with inflation and recession and to help pay the bill for less fortunate Americans, this modest assistance with school meals is taken away. At a time when the President proposes a tax rebate to help middle income America, it is ironic that he recommends what is in effect a head tax of $54.00 per child per year (school lunch cash assistance: 12¢+commodities of 11¢+inflation for food and labor at 7¢=30¢×180 days). At a time when it has been demanded of the schools to avoid overt identification of the nonpaying child, a plan is now proposed that makes such identification inevitable. Moreover, it is not unlikely many situations will occur under the proposal in which the nonpaying child would be the only one who could "afford" a full nutritious meal eaten in the presence of paying children whose daily funds would only permit meager fare—discrimination in reverse.

3. The President's proposal further depresses an already depressed economy.

The National School Lunch Program represents a four-billion meal per year market that is widely supported by and supportive of agriculture and industry. The President's proposal, in drastically cutting back these child nutrition programs, will also diminish its meaning as a market. If, by the United States Department of Agriculture's own estimate, seven million children per day drop out of the programs under this proposal, in one year's time there would be a loss of 1.26 billion meals. As just one example of the market potential, four billion halfpints of milk are purchased for use in the Special Milk and National School Lunch

Program each year. Three billion half-pints would be eliminated by the President's proposal.

The $28 million equipment appropriation would be eliminated as would be most of the incentive to purchase the half-billion dollars worth of equipment customarily ordered by this market. Billions of dollars worth of equipment and facilities already purchased by program funds and taxpayers' money would be closed down while children go hungry.

Of the 350,000 persons presently gainfully employed in school food service the vast majority of whom are in an income bracket that scarcely lifts each of them above the poverty level, 120,000 would become jobless. Increased unemployment compensation would go far to offset whatever savings the President might hope to realize with his proposed program cuts. Economic ramifications might cut even more deeply into the family budget; millions of women who are gainfully employed away from home would face the grim choice of either giving up their employment or sending their children home alone at noon to fend for themselves.

The President's proposal would require redirection of family income. Either a child's nutritional intake will be seriously diminished or a sharply increased amount of each family's budget will be absorbed by food costs. Such a major shift in family buying patterns would even further decrease the average American's purchasing power in all other market areas.

In the first instance the food industry loses. In the second instance the balance of our economy loses. In either instance the child loses.

CONCLUSION

Legislation upon which today's child nutrition programs are built reflects the concern of Congress for the nation's youth over the past 30 years. Showing their support of the leadership of Congress, boards of education and school administrators have painstakingly initiated and nurtured school nutrition programs. These programs are living tributes to the awareness that health, nutrition and learning are inseparable. Indeed, organization of school plants and schedules are facilitated by the presence of on-campus food programs. Such programs have made the concept of the consolidated school feasible. To now withdraw the federal support that has made this possible is unthinkable!

President Ford's proposal would undermine three decades of progress in child nutrition, would place the stamp of pauper indelibly only upon the child who eats at school at public expense, and would set back by a generation concern for and practice of good nutrition.

These proposals of the President are so extreme and far reaching that any one of them could have a devastating effect:

1. Meal prices for 60 percent of this nation's youth would soar—in some cases by four times the present price.
2. Three decades of experience in the program dictates that such price increases means that 7 to 10 million children will leave the program.
3. Decimated programs will experience prohibitive per unit increases in operating costs. We can predict that many school districts will be forced to get out of the school food service program altogether.
4. When any type of food service survives, the poverty child will be humiliated and the paying child will often be left hungry by his inability to pay the price.
5. By stripping away nutritional guarantees and eliminating some assistance for all children, the original concept of school food service as a nutrition program for all children will be lost, possibly for all time.
6. Middle-income American families will be hurt the most by the President's proposal, but it should also be remembered that provisions for poor children will be cut as well.
7. The impact of these proposals would further depress our economy—depress unemployment, agriculture, industry and each family's budget.

Collectively the Administration's proposals are a calamity! How mixed up our nation's priorities appear to be when a proposed national budget calls for expenditures of one billion dollars per day and denies 60 percent of our children a few pennies a day for food—an essential part of an equal opportunity for education!

ASFSA reiterates its position that it is not the concept of child nutrition that should be repealed and superseded, but rather the concept of economic segregation in the lunchroom. What better time than now to reaffirm our nation's position of school food service for all children? What better time than now to establish a Universal School Food Service Program?

It is time to add stimulation to the economy.
It is time to add jobs to the economy.
It is time to be concerned with the needs of our people.
It is time to help middle American families regain their economic footing.
It is time to be sensitive to the feeling and needs of the poor child.
It is time the nation once and for all accepted responsibility for the nutritional well-being of our children while they are at school.

America has an opportunity to meet—with compassion and vision—the needs of children, lending each a helping hand while at the same time we strengthen our faltering economy.

ATTACHMENT 2

A COMPARISON OF THE PROVISIONS OF THE BLOCK GRANT WITH PROVISIONS OF EXISTING LEGISLATION[1]

	Block grant (children reached)				Existing (children reached)			
	All	Needy	Reduced	None	All	Needy	Reduced	None[1]
Meals provided:								
Lunch		×			×	×	×	
Breakfast					×	×	×	
Milk					×	×	×	
SPFC						×	×	
WIC						×		
Funds available:								
Lunch (cents)					11.75	52.5	42.5	
Breakfast					9.25	32.5	26.75	
Milk					5.0	(2)	5.0	
Donated foods					10.0	10.0	10.0	
Total available per day 90 cents (for needy children) to be used for all programs)					36.0	95.0	84.25	

[1] This analysis is based on the information released by the USDA in early February.

[2] Cost.

NOTES

Projects in nutrition and training, $1,000,000.
State administrative expense, $6,700,000.
Nutritional standards (a maximum of ½ of the child's daily food needs to be met by all programs): Lunch, ⅓ of the child's RDA; breakfast, ¼ of the child's RDA. Total nutritional standards is 7/12 or 58/100 of the child's RDA.

ATTACHMENT 3

DIVISION OF FEDERAL EXPENDITURES UNDER THE NATIONAL SCHOOL LUNCH PROGRAMS BETWEEN NEEDY AND NONNEEDY CHILDREN, FISCAL YEAR 1975

[Dollar amounts in millions]

	Nonneedy	Needy	Total	Percent to needy
Section 4	$266.6	$177.8	$444.4	40.0
Section 11		751.1	751.1	100.0
Breakfast	9.5	63.8	73.3	87.0
Nonfood		28.0	28.0	100.0
Commodities	246.0	164.0	410.0	40.0
Subtotal	522.1	1,184.7	1,706.8	69.4
Special milk program	102.0	18.0	120.0	15.0
Nonschool food program	11.5	103.1	114.6	90.0
Women, infants and children program		126.1	126.1	100.0
Grand total	635.6	1,431.9	2,067.5	69.3

[Attachment 4]

PLIGHT OF THE PAYING CHILD, AMERICAN SCHOOL FOOD SERVICE ASSOCIATION

BACKGROUNDER—H.R. 4222, S. 850: APRIL 9, 1975

Not since the passage of the National School Lunch Act of 1946 has there been as much doubt and confusion about child nutrition programs nor has their fate hung so clearly in the balance as at the present time. Proposals range from the repeal of all child nutrition programs at one end of the spectrum to an absolute limit of 25¢ for the price of a school lunch at the other end.

The House of Representatives, through the vehicle of HR 4222, will return to debate on these issues the week of April 21. The Senate, through the vehicle of S. 850, will address itself to the same subject in hearings before the Committee on Agriculture and Forestry, April 22.

When all the smoke clears, we suggest two basic issues are at stake:

1. The very life of several vital child nutrition programs. Unless new legislation is passed, the following programs will expire June 30, 1975:

☐ Breakfast Program, ☐ Special Food Service Program, ☐ Special Milk Program,

☐ Summer Food Service Program, ☐ WIC (Women, Infants and Children) Program

The legislation pending before both House and Senate would provide for the extension and improvement of all of these programs. Furthermore, the House Bill would mandate a reduced-price lunch for children from families up to 200 percent of the income poverty guideline. The legislation would also make children immediately eligible for free lunches if the head of the household is unemployed.

2. The plight of the paying child.

If the Breakfast Program is renewed and the free and reduced-price program expanded, the child from the low income family is well provided for. The child from the middle-income, tax-paying family is being increasingly victimized by raising prices in the lunchroom. This is the very same family hurt most by the ravages of inflation. On April 8, 1975, the Labor Department released figures indicating that an urban American family of four now requires an income of $14,300 annually to maintain even a moderate standard of living. This is an increase of $1,733.00 or 13½ percent in one year, the biggest increase in any year since the Labor Department began publishing such figures.

In describing recent tax cut legislation President Ford describes the problem of the middle-class family very well. He said:

"Low income people should indeed be helped. But not to the exclusion of the rest of the population. . . Half of the families in his country today are in between $10,000 and $25,000 per year. One-third have earnings in excess of $15,000 per year."

It is a fiction not supported by economic fact that any family not included in the benefits of the poverty-striken is affluent. Such is simply not the case.

Income:	*Families*	Income:	*Families*
Less than $1,000	628, 000	$11,000 to $12,000	2, 770, 000
$1,000 to $2,000	965, 000	$12,000 to $13,000	3, 100, 000
$2,000 to $3,000	1, 755, 000	$13,000 to $14,000	2, 539, 000
$3,000 to $4,000	2, 244, 000	$14,000 to $15,000	2, 518, 000
$4,000 to $5,000	2, 491, 000	$15,000 to $20,000	9, 438, 000
$5,000 to $6,000	2, 555, 000	$20,000 to $25,000	4, 962, 000
$6,000 to $7,000	2, 640, 000	$25,000 to $50,000	4, 564, 000
$7,000 to $8,000	2, 709, 000	$50,000 and up	548, 000
$8,000 to $9,000	2, 800, 000		
$9,000 to $10,000	2, 715, 000	Total	55, 053, 000
$10,000 to $11,000	3, 118, 000		

It is not only ridiculous but it is economic segregation of the worst kind to deny further assistance to the great majority of our school children simply because, in one instance out of 10, we might possibly provide some modest assistance to a well-to-do family. It might be well in passing to note the contribution through taxes such well-to-do families are making to the provision of free and reduced-price meals to the economically needy. If we applied such thinking to other phases of government subsidies in this country, out interstate highways would be muddy trails, our public carriers would be pack animals and our postal system would be still by pony express. We are rapidly approaching the point where several million noopoor children a day cannot afford to buy the same lunch at school provided free-of-charge to their less well-to-do classmates.

Statistics collected by one Midwestern state mirror clearly the relationship between meal cost and participation:

Charge to child:	*Participation percentage*
No charge	96
15 cents	94
25 cents	82
35 cents	68
45 cents	44
55 cents	22

School meal prices must be brought back down within the reach of all children. To discriminate against the children of young, struggling parents endeavoring to pay their own way is certainly not the American way.

The problem of the paying child is not his alone but becomes the pervasive problem of all child nutrition programs. From a logistical standpoint, if we lose the paying child many school districts will no longer be able to afford the burden of providing foodservice for the low-income child.

Because of school busing, low-income children are now widely distributed throughout the school district. In middle income neighborhoods, where the percentage of free and reduced-price meals is still relatively low, maintenance of a foodservice program is not economically feasible without the support of the paying child.

Moreover, the impending transition of child nutrition programs into welfare programs does not bode well for their political base. Programs designed to meet the needs of all school foodservice activities have not won the approval and support of all segments of our society, from the voter in the polling booth to the voter in the Halls of Congress. It is only human nature to lose interest in that which does not concern us. Programs designed to benefit only one segment of our society are likely to be supported only by that segment.

The House of Representatives has deemed our economic crisis to be such that we cannot afford either a 25c or 35c lunch for our school children. Surely our national pride and priorities will not tolerate children being turned away from their own school lunchrooms because they cannot afford the food inside. The poor children of our nation need our help but so do the millions of middle income children whose families compose the vast majority of the population of this country.

NOTE.—1973 Family Income Figures, U.S. Bureau of Census, Current Population Reports Series P–60, No. 97.

Senator McGOVERN. I would just like to announce what the balance of the schedule will be. I am going to ask Senator Dole to preside while we hear the next two witnesses, Ms. Hughes and Ms. George. We will adjourn for lunch after those two witnesses have been heard, and then at 1:45, Senator Leahy will be here to preside and will begin with Ms. Friday as the first witness.

Ms. Hughes, I apologize for having to walk out, but I will read your testimony.

Senator DOLE [presiding]. I might say, in the absence of the Chairman, you may proceed in any way you wish by either reading the entire statement or summarizing or paraphrasing it.

STATEMENT OF BARBARA ANN HUGHES, R.D., M.P.H., HEAD, NUTRITION AND DIETARY SERVICES BRANCH, NORTH CAROLINA WIC COORDINATOR, DIVISION OF HEALTH SERVICES, NORTH CAROLINA DEPARTMENT OF HUMAN RESOURCES, ALSO SECRETARY, ASSOCIATION OF STATE AND TERRITORIAL PUBLIC HEALTH NUTRITION DIRECTORS, AN AFFILIATE OF THE ASSOCIATION OF STATE AND TERRITORIAL HEALTH OFFICERS, RALEIGH, N.C.

Ms. HUGHES. I am Barbara Hughes, head of Nutrition and Dietary Services Branch, North Carolina Health Services, Department of Human Resources. I am, however, representing as Secretary of the Association of State and Territorial Public Health Nutrition Directors, and we are an affiliate of the Association of State and Territorial Health Officers.

The North Carolina Nutrition Survey conducted by the State Board of Health, now the Division of Health Services, during the Spring of 1970, documented the fact that our State had nutritional problems among all segments of our population. A study of factors associated with the quality of the diets of households and preschool children revealed dietary differences by race, region, economic indicators, nutrition knowledge, and education of the homemaker. The findings of our survey indicate that the utilization of food can be related to lifestyles as much as to purchasing power and know-how. Neither high income nor high educational levels meant that nutritional needs and standards would be met.

Survey results showed that 27 percent of the households and 48 percent of the preschool children had inadequate diets. The percentages of household dietaries which were below one-half of the survey standards for each of the five nutrients were: vitamin C, 13 percent; calcium, 9 percent; vitamin A value, 8 percent; iron 7 percent; protein, 3 percent. Among preschool children, 31 percent failed to meet half of the standard for iron; 21 percent were below half of the vitamin C standard; 12 percent did not meet half the calcium standard; 9 percent failed to meet half the standard for vitamin A value.

Inadequate diets were often associated, interestingly enough, with a failure to eat breakfast and snacks. Food eaten at breakfast and as snacks were found to be major sources of vitamin C and calcium among North Carolinians in the survey. Vitamin C and calcium, as stated above, were the nutrients most often deficient in the diets of preschool children throughout the State.

The food package of the WIC program provides foods rich in those very nutrients, iron, vitamin C, calcium, protein, and vitamin A value, the nutrients severely missing in our North Carolina household sample.

Anemia is another major health problem in our State. Iron is the nutrient most often lacking in anemia. It can be stored in the body. An adequate intake during pregnancy and during the first year of life will do much to eliminate anemia in preschool years. It has been documented that many infants are given iron-rich cereal at an early age, that is primarily during the first month of life, but this cereal, which is rich in iron, often gets displaced by a variety of foods when the child reaches 3 months of age. Most infants are placed on homogenized milk by 6 months of age. Since homogenized milk does not contain any iron, the iron intake is limited.

The WIC program is modifying these feeding practices by providing both iron-fortified cereal and iron-fortified infant formula throughout the first year of life.

North Carolina has established a fine record over the years in its concern for proper nutrition for all citizens. However, the following statistics are pertinent to North Carolina and demonstrate the level of need in our State. While the neonatal mortality rate is 12.9 for the United States, it is 15.6 for North Carolina. The infant mortality rate is 17.6 for the United States, and it is 21.7 for North Carolina.

The relationship of nutritional status to mental and physical growth, development and well-being is extensively documented in the literature and demonstrates the importance of diet during pregnancy, lactation, and the post partum period.

The literature also indicates the relationship of nutritional well-being to the growth of infants and children. The significant growth periods for a person are during infancy, 0 to 12 months, and after 42 months or during ages 4 to 5 years. The WIC program serves the child under 4 years of age presently, and should definitely include the child under 5 years of age.

For years, we dietitians and nutritionists in every State and territory have had extremely limited funds with which to operate nutrition and health programs. Through the use of nutrition educational materials we have taught people which foods to eat for proper nourishment. With the special supplemental food program for women, infants, and children, we now have food. However we lack funds essential for fulfilling the intent of this program. We nutritionists do not want the WIC program to become just another food program; therefore, the nutrition education component with trained personnel must be the backbone of this program.

Senate bill S. 850 provides for funds specifically for nutrition education and outreach workers from local communities. North Carolina interprets nutrition education as the provision of nutritional care by a trained professional for all participants in each local WIC program area.

The WIC program is a health, nutrition, program. The clinical evaluation required of the participants has been the major contributing factor toward comprehensive health care for persons served in local health clinics. Pregnant women are going to clinics earlier in their course of pregnancy. We often do not see pregnant women in our clinics until the fifth, sixth, seventh, and eighth months. However, in the WIC clinics they are being seen by health professionals at the onset of pregnancy, the second, and the third months. Infants and children who had never been inside a private physician's office or local health clinic are now participating in a health program through the WIC program.

The WIC program has achieved that which the health community has been trying to achieve, namely getting people into clinics for preventive care as opposed to remedial care. However, with this achievement, health clinics are overburdened. It is my understanding that WIC funds cannot be used for expansion of space and other health personnel. When clinic participation is up by 100 percent, additional space and personnel must be added.

In North Carolina we need funds for these areas. We view the outreach component in the bills as two-pronged: first, to encourage local health clinics to apply for WIC; second, to reach all persons who are eligible for participation.

One major constraint of the WIC program is the lack of start-up funds. Several health directors in North Carolina have declined to submit proposals for the program due to this factor. The majority of our local health departments are understaffed, rural, and lack space for expansion into other programs.

The full medical evaluation of the national WIC program which has been contracted to my alma mater, the School of Public Health, Department of Public Health Nutrition, University of North Carolina, is due to the U.S. Department of Agriculture by October 1, 1975. I ask you, is the WIC program to be phased out without any clinical evaluation findings?

I would like to add a resolution adopted by our Association of State and Territorial Public Health Nutrition Directors in our annual meeting on February 18, 1975. It has been endorsed by the Association of State and Territorial Health Officials, of which we are an affiliate:

> Be it resolved that ASTHO supports legislation to continue and expand the WIC food assistance program and that funding be increased to cover the costs of nutrition education under the direction of a registered dietitian or public health nutritionist and a uniform nutritional surveillance system to assess the effectiveness of this program.

We believe there is need for increased funding for all child nutrition programs including, but not limited to, school food service, special food service—day care, summer feeding programs, and the breakfast program.

In closing, we urge the U.S. Senate Agriculture and Forestry Committee to make an immediate appropriation decision in favor of the continuation of all child nutrition programs.

Thank you for this opportunity to testify.

Senator DOLE. Let me say at the outset, Ms. Hughes, that I would guess that all or almost all of the programs will be continued, and some or maybe most of them expanded to the extent that we can. I will not go through my little speech again about all of the other problems we have. I am certain you understand those and that is one reason you are feeling the pinch in the WIC program.

How much does North Carolina receive?

Ms. HUGHES. We have $3 million plus presently. We have a monthly caseload of 20,000 plus.

Senator DOLE. Are you able to utilize the $3 million without any problem?

Ms. HUGHES. Our caseload presently is about 15,000. We have just been given an expansion, so we will be using that amount I am sure, because that gives us opportunity to move into other counties.

Senator DOLE. In how many counties do you operate?

Ms. HUGHES. We have 22 counties presently with WIC programs. I personally would like to see it in every 100 counties of our state.

Senator DOLE. Where is the largest concentration of program beneficiaries?

Ms. HUGHES. In the urban areas.

Senator DOLE. You mean Charlotte?

Ms. HUGHES. Charlotte has the largest program, but it is our rural counties that really need this program. However, they are the ones that have the very small staffs, so they could not take on a WIC program unless we give them money.

Senator DOLE. What is the percentage of administrative costs of the program?

Ms. HUGHES. We are now only receiving 10 percent, and we use all of that, and much in kind from already existing people and space and funds.

Senator DOLE. I do not have any other questions.

I can understand the value of the program and the need for its continuance. I hope that we can do it as we look at the whole package.

Ms. HUGHES. We want it to continue.

Senator DOLE. That was indicated rather clearly in the statement.

Ms. HUGHES. Thank you.

Senator DOLE. Thank you.

Ms. George from Kansas is the next witness.

I have read your statement and am familiar with it. I am certain that Senator McGovern and the staff will do the same.

We think the experience in Kansas has been a good one. I have heard some witnesses here this morning indicate that it would not work for them although I do not know how they could know without having tried it. You may proceed in any way you wish with your testimony.

STATEMENT OF MS. IONE H. GEORGE, DIRECTOR, SCHOOL FOOD SERVICE, KANSAS DEPARTMENT OF EDUCATION, TOPEKA, KANS.

Ms. GEORGE. I am Ione George, director of School Food Service, for the Kansas State Department of Education.

Thank you for asking me to relate to the committee the reactions of Kansans to cash-in-lieu of commodities. May I review, briefly, the situation which led to Kansas being the first State to receive cash-in-lieu of commodities?

At a regional meeting of State directors of food distribution programs, the USDA officials announced their desire to terminate the commodity distribution program. This meeting was held in December 1973.

In Kansas the commodities had been distributed through the Department of Social and Rehabilitation Services to schools, institutions, day care centers, needy families, and other eligible outlets. Commodities to needy families were replaced with food stamps. This made very dramatic changes in the workload of the division of food programs.

The announcement by USDA to phaseout or terminate the commodity program coupled with the changeover to food stamps led to the decision by the Kansas State Department of Social and Rehabilitation Services to terminate their agreement with USDA to distribute commodities.

This left Kansas without a commodity distribution system. The phaseout of commodities had not been accomplished by USDA but was still under discussion. The future of the commodity program was very uncertain.

The Kansas Department of Education was very reluctant to develop a commodity distribution system when the life expectancy of the program was so uncertain.

This led to our appeal to Senator Dole and other congressional representatives for legislative action to make it possible for Kansas schools to receive the cash in lieu of commodities.

This was accomplished. We were officially notified in October 1974 that, because of the dismantling of the commodity distribution system as a direct result of the announced phaseout of the program by USDA officials, Kansas would receive cash in lieu of commodities at the rate of 10 cents per type A meal served to children.

The first cash distribution was made in November 1974 through regular reimbursement procedures, and has been paid each month since.

The schools have not been asked to file any additional claims to receive the money. The claim for section 4 reimbursement is the basis for cash in lieu of commodities distribution. This claim form is identified in this report as exhibit A. Exhibit B* is the computer printout of this calculation with the notation of CFC, cash for commodities, underlined.

Every participating school food authority was mailed a copy of regulation part 240 cash in lieu of commodities. We emphasized that this cash was to be used to upgrade the meals served; and could not be used as a part of the meal cost to justify section 11 reimbursement for free and reduced-price meals. The schools are free to choose the foods purchased with this cash.

In the computed meal costs we assume that the first 10 cents spent for food was the commodity cash and that is subtracted from the per meal food cost.

An audit trail is provided when a ledger entry shows receipt of cash for commodity and a food expenditure to balance or exceed.

The school administrators have been impressed with the amount of money received with a minimum of paperwork or redtape.

The cash for commodities has been distributed with no additional personnel required on the State staff. This has resulted in a savings of $85,000 to the State. This $85,000 was the projected budget for setting up a food distribution system within the Department of Education before it was known that we would receive cash. I might emphasize that more than $5 million will be distributed to the schools with no additional administrative funds.

Needless to say, I am convinced that cash in lieu of commodities is the way to go. We have received very favorable comments from Kansas purveyors. This $5 million is being spent in Kansas for many of the same items previously supplied as commodities. We know that Kansas wheat is used because many of the schools buy flour directly from Kansas mills using USDA commodity flour specifications.

The Kansas Wheat Commission has been most cooperative and helpful to our office and to the schools to get producer and consumer together.

More Kansas beef has been purchased locally than when USDA purchases were received.

I do not want to leave the impression that only Kansas products are purchased. Orange juice and fresh produce are still produced outside of Kansas, but purchased through local purveyors.

I have received many letters from food service directors and school administrators from across the State from school districts of varying sizes. These letters are included in this packet, but they emphasize the following points: less paperwork and time is involved in inventory controls; more variety in menus is possible—they have not been swamped with grapefruit juice or peanut granules; there is better planning for utilization of facilities, particularly storage facilities. Purchases and deliveries are scheduled for convenience and needs. There is a saving of actual cash formerly spent for freight and storage charges on commodities, and this runs into the thousands of dollars for every district. More food money is available to negotiate good buys on food items, and cash does not have price support effect which raises prices to other consumers.

---

*See p. 96.

I will have to admit that in the beginning of the cash program there were food service people fearing the unknown. They had not operated a lunch program without having donated food items. The facts are that the cash has been used to purchase needed food items to provide the same kinds of menus previously served.

The chief complaints came from Head Start programs not affiliated with schools. Ironically, these programs are the newest in the family of child nutrition programs, and have had the least experience with the commodity program.

We should conclude our comments on cash for commodities with a commendation to the Food and Nutrition Service for the promptness they exercised in providing the authorization of funds through letters of credit. The first distribution of cash to schools in Kansas was completed within 2 weeks after the effective date of letter of credit authorization in November 1974.

May I also mention some concerns I have with certain sections of S. 850?

As State director of the food service programs, I am concerned particularly with the administration of the programs within the confines of legislation and regulation. I am concerned with administration at the State level, and also I am sympathetic to the problems of the school administrator in this area.

Some of the most difficult situations are inherent in the free and reduced price meal regulations.

Many families consider the application an invasion of privacy. They may be within the guidelines and eligible for reduced price meals, but as a matter of principle hesitate to complete the application.

We believe that with an unemployment rate of less than 10 percent, there should be several times that number who are employed and within the dollar guidelines for reduced price meals. They have not applied for the benefits of the program.

In Kansas 18 percent of the total meals served are free, and only 3 percent of the total meals are reduced price meals. This might lead one to conclude that the remaining 79 percent are served to children from affluent families.

Kansans are hard working people, but they are not all in that percentage who are affluent or who have incomes above the eligibility guidelines.

This leads to my conclusion that the application is a part of the problem. Besides being an invasion of privacy, the use of the application is an administrator's headache. He has to signify his approval or acceptance of data that he really cannot verify without a further invasion of privacy.

The administration of this free and reduced price policy has been estimated to cost more than $1 million a year in Kansas alone.

When we can distribute $5 million as cash-in-lieu of commodities with no added administrative costs, it is rather ironic that it costs $1 million to implement a free meal policy.

As a taxpayer, as well as a program administrator, I am in agreement with the concept of an established reimbursement rate or meal cost whichever is the lesser. The management information resulting from the meal cost data is most valuable. However, without administrative funds made available to the local level to employ a program director with the ability and responsibility to prepare and use this data, it is meaningless.

Food service programs are no longer hot lunch programs of WPA days. With breakfast and lunch for the school child, and with food prepared and often served to day care children and also to the elderly in congregate centers, the school feeding program has developed like Topsy. Directors are needed by the multiunit districts.

Another point of concern is the effect of recent court decisions which hold that school food authorities must provide like service for all attendance centers. This could lead to a cutback of programs or a decided increase of programs such as providing breakfast. In either case, use of facilities would be affected.

Out of 1,720 attendance centers serving lunch, there are only 124 attendance centers serving breakfast.

In March there were over 5,850,000 lunches served, compared to 132,000 breakfasts. However, the number of free lunches served averaged 18 percent of that total compared to 48 percent of breakfasts served free.

In Kansas we have not experienced a cut back in participation as meal prices have increased. This year we project 54 million meals will be served, compared to 52 million last year. The percentage of free and reduced meals has shown little change.

There is strong feeling among my coworkers against the proposed 25 cents ceiling on meal prices.

Food service people are unanimous in their opposition to the amendment to change the word "served" to "offered." At best, this could only remove the food waste, which was the point of concern in the amendment, from the dining room to the kitchen. It would reduce the nutritional value of the lunch without reducing food costs. It would result in conservative cooks recycling leftovers to the point of no return. Children resist leftovers. Participation would suffer. Complaints would increase. There would be no educational value to the school lunch program.

We have found that selective menus, selection of items within a menu, and combination of a la carte and type A programs are increasing participation and reducing plate waste. In promoting this kind of choice, we are emphasizing to school administrators the need for nutrition education to enable the child to make wise choices.

Section 13 of Senate bill 850 concerns the special food service program. Paragraph (a) (2) of that section would remove IRS tax exemption as a criteria for qualification. We have relied on this criteria to help us determine eligibility of the center for participation in the program. There must be some assurance that we are not using Federal funds to subsidize private enterprise.

Paragraph (b) (1) establishes rates of reimbursement to equal rates paid for national school lunch and school breakfast for the day care centers. The intent is generous, but the practicality is questionable. The portions served to a child in a day care center are only about half that served to a high school child. The costs would not be comparable. Labor costs and management practices are not the same.

At the current rates of reimbursement or food costs, whichever is the lesser, the 140 centers participating in the year-round special food service program for children received $261,152. On a rate only basis, these same centers would have been reimbursed $292,452 for the number of meals served. This is a difference of $31,300 due to food cost not justifying full rate payments.

In view of this experience, I urge that section 13, section (b)(1) be amended to provide more realistic rates of reimbursement.

I thank you for allowing me to present these views on behalf of the sponsors of the various child nutrition programs.

Senator **Dole.** I thank you, Ms. George. I have a series of questions.

Would it be accurate to say that almost all of the local officials in Kansas have been satisfied with the cash-in-lieu of commodities program?

You indicated in your statement there was some fear and maybe some resistance.

Ms. **George.** I think they are more unanimous in that than in any other part of the program; not completely unanimous, but more unanimous.

Senator **Dole.** I understand. Anything that is unanimous probably is not any good anyway.

Based upon the experience you have had since last fall, do you think the extension of the cash program to summer feeding in day care centers would be advisable, or have you had enough experience?

Ms. **George.** I have mixed feelings. The reimbursement rate has been increased. The day care centers and the Head Start programs are very small, most of them serving only 30, 40, or 50 children at a center, and their availability of commodities was not good when they were receiving commodities. They could not split cases and this kind of thing. They had not facilities to go to a distribution center to pick them up.

Senator **Dole.** Do you think in a followup to that, that you are getting as much nutritious food with the cash as you would with the commodities? You mentioned peanut granules and grapefruit juice, which I assume are plentiful.

Ms. **George.** I think that our meals are at least as good if not better than previously. These schools have made an effort to upgrade the menus. We hear of more roast beef served; ham for Easter dinners, this kind of thing that they did not have before. And of course, they are still meeting type A requirements on every meal.

Senator **Dole.** You feel then, based on the experience you have had, there has been an upgrading?

Ms. **George.** Yes.

Senator **Dole.** All right.

You have indicated what it might do for some Kansas people and have mentioned the cooperation of the Kansas Wheat Commission. I think it is fair to say that it does assist local producers and local merchants and has an impact on the economy, whereas the commodities would not.

Ms. **George.** I think of the $5 million, that it has all been spent in Kansas.

Senator **Dole.** Right, and that goes to taxpayers, and they send some of it back so that we can send more——

Ms. **George.** More back again.

Senator **Dole.** I appreciate very much your coming. I am sorry that Senator McGovern had to leave, but he is making a speech about now.

In any event, I think the Kansas experiment will be successful enough that we can try it in other places.

I appreciate your good work in making it successful.

Ms. GEORGE. Thank you.

Senator DOLE. I want to make all of the exhibits attached to Ms. George's statement a part of the record because I think they indicate some of the savings and some of the comments concerning cash-in-lieu of commodities that would be important as we study the record. They are appended to her statement that she has read, and they will be made a part of the record.

[The exhibits referred to follow:]

EXHIBIT A

FORM 02-09-106.1
Rev. 7/74 9M

KANSAS SCHOOL FOOD SERVICE PROGRAMS

**DISTRICT NUMBER DU 407 ✓ DISTRICT OR SCHOOL NAME UNIFIED SCHOOL DISTRICT #407

COUNTY NUMBER 84 ✓ COUNTY NAME RUSSELL

CLAIM FOR CALENDAR MONTH OF 2 (Number), 1975 NUMBER OF DAYS MEALS SERVED (1) 20

PRELIMINARY REIMBURSEMENT CLAIM FOR ALL ATTENDANCE CENTERS

	Total Number Meals Served	Total Number Paid Meals	Total Number Free Meals	Total Number Reduced Price Meals	Number of Attendance Centers Reported
CHILDRENS Type A Lunches with Milk	(2) 29,567	▨	(4) 3,109	(6) 1,102	(8) 12 ✓
CHILDRENS Reimbursable Breakfasts	▨	(3) ------	(5) -----	(7) -------	(9) ----------

Total of items numbered 1-9 for Data Entry Control: 33,810 ✓

FINANCIAL STATUS SUMMARY OF ALL ATTENDANCE CENTERS AS OF LAST DAY OF CALENDAR MONTH

1. ACTUAL CASH AVAILABLE DURING MONTH:

A. Opening cash balance $ 60,080.77

B. Reimbursements received $ ---------

C. Total receipts from sales to students $ 12,281.86

D. Other cash income, including adult payments $ 1,389.66

E. Transfer from district funds $ ———

F. Total cash available during month $ 73,752.29

2. ACTUAL CASH EXPENDITURES DURING MONTH:

A. Food $ 17,100.68

B. Labor $ 5,854.50

C. Equipment $

D. All other expenditures $ 1,877.06

E. Total cash expenditures during month $ 24,832.24

Closing cash balance for the month (Total item 1-F Minus total item 2-E) . . . $ 48,920.05

Total of all unpaid bills on hand . . . . $ 18,301.58

** DISTRICT NUMBER - SHOW THE SCHOOL LUNCH PROGRAM NUMBER ASSIGNED BY KSDE FOR NON-PUBLIC SCHOOLS

MAIL BY THE FIFTH CALENDAR DAY OF THE MONTH FOLLOWING CLAIM MONTH
KANSAS STATE DEPARTMENT OF EDUCATION
SCHOOL FOOD SERVICES SECTION
IONE H. GEORGE, DIRECTOR
120 EAST TENTH STREET
TOPEKA, KANSAS 66612

RECEIVED
MAR 7 1975
SCHOOL FOOD SERVICES
STATE DEPARTMENT
OF EDUCATION

I certify that to the best of my knowledge and belief this claim for reimbursement is true and correct in all respects and is in accordance with the terms of the existing agreement(s) and that payment therefor has not been received

Evelyn Steinle (Authorized Representative) Date March 5 1975

This is a composite report of all your attendance centers as reported on Schedule A, to be completed by the authorized representative. Preliminary reimbursement will be paid according to information submitted on this form. One copy of this form will be mailed by the fifth calendar day of the month following the claim month to the School Food Service Section of the State Department of Education.

Do not leave a space blank. If not applicable, indicate with a zero, e.g. -0-. Blank spaces will be rejected by the reimbursement process and will delay preparation of your reimbursement.

Use the USD number for your district, e.g. D0 123, or the school food service program number KSDE has assigned for non-public schools, e.g. E0 123 or S0 123. Use a number for the calendar month.

Refer to Form K-2: 02-09-105 for monthly totals of lunches served for each attendance center, and form 02-09-403 for monthly totals of breakfasts served. The totals from all attendance centers should be reported for reimbursement. The total number Type A lunches served includes paid, free and reduced price meals.

Indicate the total number of attendance centers, not buildings or kitchens, in the district for which you are reporting. All USD's will have a minimum of two attendance centers (elementary & high school) for which to report.

The total of items numbered 1 - 9 should be entered in the space designated for Data Entry Control.

FINANCIAL STATUS SUMMARY OF ALL ATTENDANCE CENTERS TAKEN FROM THE LEDGER ON THE LAST DAY OF THE CALENDAR MONTH

Item 1 Actual Cash Available During Month:

A. Opening cash balance - closing cash balance brought forward from prior month. For the first month's claim, this amount would represent cash fund on hand June 30. If the actual opening cash balance does not agree with the last closing balance, use the closing cash balance as shown on the previous month's claim and make adjustments in the current month to arrive at the correct closing cash balance.

B. Reimbursement received - includes cash reimbursement actually received during the month from prior claims submitted for the National School Lunch Program, the Special Milk Program, the School Breakfast Program, or the Non-Food Assistance Program.

C. Total receipts from sales to students - milk, lunches and breakfast sold only to students.

D. Other cash income - include cash donations, food sales to adults, snack bar sales, and receipts from "other income" on Form K-2: 02-09-105.1, e.g. special dinners, meals for migrant programs, Title I, lunches prepared for day care centers, feeding the elderly, etc.

E. Transfer from district funds - determined by school budget and applicable only for public schools. It is reported when transferred, once a year, once a month, etc.

F. Total cash available during month - total of items A, B, C, D, & E.

Item 2 Actual Cash Expenditures During Month:

Should include all purchases of goods and services for which payment was actually made or checks written and mailed during the month.

A. Food - Do not include non-food items purchased on same invoice with food. Include freight for USDA donated foods.

B. Labor - Gross labor for food production personnel.

C. Equipment - items which cost more than $50 each.

D. All other expenditures - include non-food and expendable items.

E. Total cash expenditures during month - total of items 2A, 2B, 2C, & 2D.

The closing cash balance for the month is the difference between total cash (1-F) and total expenditures (2-E). This should be reconciled to the ledger balance.

Total of all unpaid bills on hand includes encumbrances which are not yet paid, e.g. social security, employee benefits, etc.

Indirect or attributal costs may not be cash expenditures from the food service fund, but may be paid from another budgeted fund.

This claim must be signed and dated at the bottom of the page by the authorized representative and mailed by the 5th of the month following the claim month.

EXHIBIT B

KANSAS SCHOOL FOOD SERVICE PROGRAMS—PRELIMINARY REIMBURSEMENT FOR ATTENDANCE CENTERS, FEBRUARY 1974 (DISTRICT D0407–RUSSELL COUNTY—CO. 084–RUSSELL COUNTY)

Reimbursement	Count	Rate	Amount	State	Federal
Child type A with milk:					
Total served	29,867	0.1175	3,474.12		
		.01383	408.91		
Free meals	3,109	.5250	1,632.23		
Reduced price	1,102	.4250	468.35		
CFC	29,567	.1000	2,956.70		
Child breakfasts:					
Paid meals	0	.0925	.00		
Free meals	0	.3250	.00		
Reduced price	0	.2675	.00		
Gross amount of preliminary reimbursement				408.91	8,531.40
Adjustments posted				.01	275.19
Net amount of preliminary reimbursement				408.92	8,806.59
Total (check amount)				9,215.51	

Note: Attendance centers reported 12. Number of days meals served 20. A.D.P. 1,478.35. Breakfast A.D.P. .00.

Financial status summary of all attendance centers as reported

1. Actual cash available:	
A—Opening cash balance	$60,080.77
B—Reimbursements received	.00
C—Student receipts	12,281.86
D—Adult receipts	1,389.66
E—Transfer from district	.00
F—Total cash balance	73,752.29
2. Actual cash expenditures:	
A—Food	17,100.68
B—Labor	5,854.50
C—Equipment	.00
D—All other expenditures	1,877.06
E—Total cash expenditure	24,832.24
Closing cash balance for the month (item 1–F minus 2–E)	48,920.05
Total of all unpaid bills on hand	18,301.58
Two months expenditures (average)	44,935 32

Closing cash balance too large.

FOR DISTINGUISHED FOOD SERVICES

INTERSTATE UNITED

Mrs. Ione H. George
Director, School Food Services
Kansas State Department of Education
Kansas State Education Building
120 East 10th Street
Topeka, Kansas 66612

April 16, 1975

Dear Mrs. George:

In response to your inquiry regarding Actual Commodity vs. Cash in lieu of; the following information is provide:

It will be of no suprise to find out that a management food service corporation would be totally in favor of "Cash" Commodity. This feeling could be summarized into the following losses as well as inconvenience resulted from the actual commodity (vs. cash).

1.	STORAGE	$ 10,000
2.	FREIGHT-TRANSPORTATION	3,000
3.	RECORD KEEPING; INVENTORY CONTROL COST OF REPORTING	15,000
4.	INFLEXIBILITY OF ITEMS BECAUSE OF THEIR ABUNDANCE	10,000

There are other intangible difficulties such as restriction and lack of complete menu planning. It would be somehow difficult to attach A dollar figure to these.

A key and major part of management's strength stems from being able to purchase from the open and flexible market WHAT is needed (because of student's need) and WHEN needed as well as WHO or WHERE to buy all needed raw goods and be able to plan HOW MUCH is needed.

In the presence of Actual Commodity such strength is weakened and for the Wichita School District some apparent results are quite indicative.

If I can be of any further assistance, please let me know.

Sincerely,

Bruce Taher
Food Service Director

COMMUNITY EDUCATION CENTER / [illegible] NORTH CHAUTAUQUA / WICHITA, KANSAS 67214 / TELEPHONE (316) [illegible]

SHAWNEE MISSION PUBLIC SCHOOLS
ADMINISTRATION BUILDING
7235 ANTIOCH
SHAWNEE MISSION, KANSAS 66204
TELEPHONE 913-831-1900

January 30, 1975

The Honorable Robert J. Dole
United States Senate
2327 New Senate Office Building
Washington, D. C. 20510

Dear Senator Dole:

As President-elect of the Kansas School Food Service Association and a member of the Heart of America (Greater Kansas City) Food Service Association, I would like to express our appreciation of the cash in lieu of a commodity program in Kansas.

The cash program has been a boon to us in Shawnee Mission, as well as the rest of Kansas. We have been able to upgrade the quantity and quality of food to our students while keeping the price per meal constant for the past three years.

Some of the items that we have been able to offer with this money are sliced barbeque beef, roast beef sandwiches and roast beef. It has enabled us to vastly improve our baked products through the use of cake, bread and roll mixes and serve ice cream for dessert. We are also giving larger servings to the students.

This money is being used to purchase foods that our clientele will eat as opposed to many of the commodities we have received that were almost impossible to use.

We are still trying to use some of the food items we received last year, but their popularity is so poor that it is taking a long time to use them in the program. Such items as prunes, non-pitted; grapefruit juice that is so sour it is almost impossible to make it palatable; rice; bulgur; cranberry sauce; rolled oats; are a real burden. Even though the market value is considerable, the storage and unacceptability is enormous.

The following is some information to give you an idea of some of our costs for handling commodities in the Shawnee Mission School District:

School Year	Freight	Storage	Total
1970-71	$14,463.66	$18,698.42	$33,162.08
1971-72	6,189.78	17,572.13	23,761.91
1972-73	5,935.48	13,209.13	19,136.61
1973-74	10,575.45	17,418.87	27,994.32
	$37,164.37	$66,893.55	$104,054.92

We are now able to buy the items our students will eat from local vendors, generally, at a better price than paid by the U.S.D.A. and save the cost of storage and transportation. This helps our program, students, menu planning and local economy.

Please help us keep our present mode of operation of cash in lieu of commodities.

Yours truly,

Larry P. Bilotta
Director of Food Service

kj
cc Ione George, State Director
Dan McNeely, Legislative Chairman

UNIFIED SCHOOL DISTRICT NO. 383
R. L. CHALENDER, Superintendent

Manhattan, Kansas 66502

April 16, 1975

Kansas State Department of Education
School Food Services Section
Ione H. George, Director
120 East Tenth Street
Topeka, Kansas 66612

Dear Mrs. George,

Here are the figures for commodity freight charges for the school year 1973-1974.
$5327.94

Sincerely,

Sue Greig
Food Service Director
USD #383

Ft. Larned
Number 495

SCHOOL DISTRICT OFFICE
111 West Seventh Street

Pawnee County
OFFICE OF SUPERINTENDENT

LARNED, KANSAS 67550

April 8, 1975

Ione H. George, Director
School Food Services Section
120 East Tenth Street
Topeka, Kansas 66612

Dear Ione:

We have found the cash in lieu of commodities to work very well in our School System. Our food service supervisor has been able to buy what she needs and what the students like. It has eliminated the problem of planning a menu around the commodities. Now she can plan her menus and buy for those menus.

We would like to see the cash reimbursement system continue. Hopefully our reports will be more accurate as we become better acquainted with them.

Sincerely

William C. Dooley
William C. Dooley
Director of Business Services

PAWNEE HEIGHTS UNIFIED DISTRICT No. 496

WEST ELEMENTARY and JUNIOR HIGH SCHOOL

BURDETT, KANSAS 67523

April 2, 1975

Ione H. George, Director
School Food Service
Kansas State Department of Education
120 East Tenth Street
Topeka, Kansas 66612

Dear Ms George:

In reply to your request regarding our feelings of the new food service reimbursement program:

We feel it is very satisfactory since the money seems to go further. We can purchase what we want and need, and not have unused stock on hand that is difficult to adapt to our meal planning needs.

Our food service personnel appreciate less record keeping of commodity accountability.

We feel it was a good move, thank you.

Sincerely,

Allen Kaufman

Allen D. Kaufman, Superintendent
Pawnee Heights USD #496
Burdett, KS 67523

COPELAND, KANS., *April 12, 1975.*

IONE H. GEORGE,
*Director, Kansas State Department of Education, School Food Services Section,
Topeka, Kans.*

DEAR MRS. GEORGE: The 1975 term of school is drawing to a close in the near-distant future and I would like to tell you how much I have enjoyed working for you in the school-lunch program this year.

You are interested in our opinion in helping you decide which program we, the Food Service Director, feel has been the most help in providing commodity foods for the school lunch program. I have been thinking about this during the whole school year and it has been my opinion that the cash in lieu of commodities has been the best and the more-sure method.

Your position is a very responsible one, of which I know so little about, yet I feel you have done so much to help the school lunch program and I try to keep this in mind as I do my job here at home. Thank you, and keep up the good work.

Yours sincerely,

ELLEN F. GORDON,
Manager, USD No. 476.

LEAVENWORTH PUBLIC SCHOOLS,
Leavenworth, Kans., April 15, 1975.

Mrs. IONE H. GEORGE,
*School Food Service Director,
Kansas State Department of Education,
Topeka, Kans.*

DEAR MRS. GEORGE: As far as we are concerned cash in lieu of commodities is the way to go. For example, we were able to buy ground beef at as good a price as the government and not have the added expense of storage and freight. Maybe this is not correct, but I understand the price was 58¢ a pound. For the coming year we would be able to bid even more efficiently if we knew we had the cash. We had a savings of $5,369.00, just in freight and storage this year. It was such a pleasure to plan menus and not have to worry about a surge of commodities. We were able to add more variety. For example we now include fried chicken, a big favorite, on a regular basis instead of when we had it. In this time of shortage we don't have the concern of using an unpopular item such as excess grapefruit juice, sweet potatoes. We don't have the problem of wasted storage space with these items until they can be used.

In August we can secure the best price on all items because we know what we need and not later in the year when we find out about commodities. We continue to use just as much flour as ever because bakery items are the favorite ones on our menu. We are a wheat state so now we can purchase it at home.

We do keep our business at home now, where it should be and some Iowa producer is not reaping all the benfits of our program.

We are making progress at cutting down plate waste because we are able to upgrade our menus with new items and a wider variety.

We have a much better system in our warehouse because we know when deliveries will be made. We are able to keep our inventory under control better because we have the freedom to order when we need it and in larger quantities.

They use the argument that smaller communities can't live without commodities. I was talking to Effingham and they thought it was great. They now have more business for a purveyor and can get the service.

Yours truly,

MIRIAM CADE,
School Lunch Director.

THE HUTCHINSON PUBLIC SCHOOLS FOOD SERVICE
Hutchinson, Kansas

CASH IN LIEU OF COMMODITIES April 16, 1975

Receiving cash in lieu of commodities has allowed much more flexibility in purchasing a better variety of foods. As an example, for cultural menus we purchased oriental foods such as bean sprouts, Chinese noodles, Mexican-made foods such as tortillas and tamales, and soul food such as pork spare ribs and a variety of turnip and mustard greens.

Another great asset from cash in lieu of commodities is the savings on the freight, storage, and delivery charges. We can also take advantage of case discounts and savings on drop shipments.

The following items are foods which have been purchased with cash in lieu of commodities:

Ground Beef
Ground Pork
Turkeys
Chickens
Frankfurters
Canned Beef
Canned Chicken
Textured Vegetable Protein (in
 (instead of Bulgur)
Cheese
Corn Meal (when needed)
Rolled Oats
Flour (white)
Flour (whole wheat)

Shortening
Salad Oil
Canned Vegetables and Fruits
 (better quality)
Fruit rather than juices
Dried Fruits
Dried Milk
Dried Eggs
Dry Beans (pinto for chili)
 (great northern for ham and beans)
Frozen French Fries
Fresh Apples (when needed)
Fresh Pears (when needed)

Ground beef has been purchased at a lower price than was purchased by U. S. D. A. Grapefruit juice seems to be the hardest item to use in our district, and we still have a lot on hand.

The following figures reflect the savings we have had to date with cash in lieu of commodities:

Storage at Jackson's Frozen Food Center for 1973-74 school year was $8,102.23.
Storage for 1974-75 school year as of this date (April 16, 1975) is $2,417.75.

State freight transportation charges for the 1973-74 and 1974-75 school years were as follows:

		1973-74	1974-75
	Atchison, Topeka & Santa Fe	$1,241.16	- 0 -
	McCarter Truck Lines	5,198.62	525.05
City freight:	Coleman Transfer	909.39	88.78
	Total freight charges	$7,349.17	$613.83

Board of Education
Richard Plummer,
President
James Burrell
Alvin Greeson, Jr.

UNIFIED SCHOOL DISTRICT #345
1124 West Lyman Road
Topeka, Kansas 66608
CE3-3045
CE3-7125

Dr. Bruce Henoch, Superintendent
Harold Pitts, Assist. Superintendent
Larry Bowser, Assist. Superintendent

Board of Education
Ralph Kingman,
Vice-President
Rev. Duane Parker
Marvin Smith
Carol E. Thompson

April 17, 1975

Mrs. Ione H. George
Director School Food Services
Kansas State Department of Education
120 East 10th Street
Topeka, Kansas

Dear Ione:

I am pleased to send along to you a few of my thoughts, facts and figures concerning "Cash in lieu of commodities" as was suggested.

a) We are, first of all, appreciating the many, many hours of labor saved from each individual kitchen up through this office in making monthly inventories and monthly commodity reports. This record keeping, of course, does not stop at this office for I did not have to spend two days with the commodity inspector thir year while he was checking our district inventory.

b) We paid out $2,728.75 to receive and store commercially the commodities we received last year. This did not include any of our own local storage. We served a total of 422,264 meals which means that we spent well over 1 cent per meal to store ten cents worth of commodities (ten cents I am assuming, only) This much was actually spent at the local level and there is no way for us to know how much was paid before it arrived.

c) We have received [illegible] rather worthless commodities such as the Grapefruit Juice. We cannot grt children to develope a taste for this food. We have been trying everything under the sun to work grapefruit juice into other food items, to disguise it. We have found that children will detect it no matter how small amount we use, or no matter how much sugar or artificial sweetner we use along with it. We have almost reached the point that we feel it is not worth ruining for the children the other foods we were mixing with it.

d) we received 120 cases of Orange Juice February 15 of 1974 and 142 cases of Orange Juice in August. We will still be using on this orange juice most of 1975-76. We have been using it in everything and serving it on the menu as often as practical. On this 262 cases of orange juice, we have paid a total of $528.70, which includes a projected amount using at the present rate until it is gone. This figures $2.02 storage for every case of juice which presently sells to us at $10.40 a case. This adds 19% to the cost of using commodity orange juice. Then we will add another cent at least per serving for a paper cup to serve it everytime .. so the orange juice begins to look like "gold".

e) One of the real rewarding features of the cash in lieu of commodities is the fact that we are now able to purchase cake flour for baking cakes and bread flour for baking our bread. We have much lighter, lovlier cakes by using cake flour and we have noticed a marked improvement in the texture of our bread since using the higher protein formula flour for our bread baking.

f) By adding margarine, oil, shortening and other commodity items to our normal purchases, we are able to received a greater volume allowance on our "total" shipment which bring the cost of all items well below what we were here-to-fore able to secure.

This same theory should also work for even the smallest school district which should be able now to purchase from wholesalers who did not in the past feel it worth availing themselves to the small school district during the commodity era.

g) We have greatly appreciated having the extra cash to help with quantity purchases of ham, roast beef roll, ground beef and beef patties -- staples in feeding kids. We have been able to keep our ground beef costs this year between 73 cents, the highest, to 59 cents, our lowest price, and this was for 80-20 (fat level) ground beef from Swift Food Service. We have purchased Turkey Rolls this year for our Turkey usage and this has proven to be a more acceptable means than by having to process turkey carcasses.

h) Just a word concerning our past experience with delivery on commodities: Last year when we were to receive the frankfurters, we received word sometime in October of 1973 that we would be getting the frankfurters. We did not receive our shipment of frankfurters until April 16 of 1974... at which time we were strongly urged to see that they were all consumed before school was out. This meant that we would either serve Franks twice a week for the next five weeks, or serve a double serving which of course would certainly not be expedient. I understand that other states, Missouri--that I have learned first handedly--are facing the same situation with shipments of ground beef and meat this year which they have received too late in the school year to use prudently before school is out.

In summing up, Ione, I do not know how we or the federal government could "afford" to go any other route with monies which they wish to use for assistance to the School Food Service program. We have really appreciated having cash in lieu of commodities this year. Thank you for all you have done toward securing this kind of consideration for us.

Sincerely yours,

Ruthann Roepke

Ruthann Roepke
Director of Food Service
Seaman U.S.D. #345, Topeka

FEDERAL REGULATIONS FOR USING AND ACCOUNTING FOR CASH IN LIEU OF COMMODITIES

The following excerpts from the regulations are furnished for your information and study.

Note that the cash in-lieu of commodities must be used only for food items which contribute toward meeting Program requirements for lunch and/or breakfast. The cost of food purchased with such funds may not be included in the cost used to determine the amount of reimbursement to be paid.

PART 240-CASH IN LIEU OF COMMODITIES

Commodity Assistance

Public Law 93-326, approved June 30, 1974, amends section 6 of the National School Lunch Act to add a new subsection (e) which provides for a minimum national average value of donated foods, or cash payments in lieu thereof, of 10 cents per lunch with annual adjustments to the nearest one-fourth cent to reflect changes in the series for food away from home of the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor.

In addition, the report of the Committee of Conference on H.R. 14354, enacted as Public Law 93-326, states in part as follows:

"At least one State has phased out its commodity distribution facilities according to the previously-stated intention of the Department of Agriculture to terminate the commodity distribution program and now lacks the personnel, facilities, and budget to distribute commodities for the school lunch program. In such a case, it is the Conferees' expectation that the Secretary of Agriculture will be able to work out with the affected State arrangements for the distribution of commodities made possible through this new legislation. At the same time the Conferees wish to stress that no State is to be penalized because of previous action on the part of the State in phasing out commodity distribution facilities and mechanisms."

This amendment authorizes the disbursement of cash in lieu of commodities to such a State. Since it is limited in scope and sets forth standards which are prescribed by law, the Department believes that the proposed rulemaking and public participation procedure is impracticable and unnecessary.

Accordingly, Part 240 of Chapter II of Title 7 of the Code of Federal Regulations is amended as follows:

Subsection 240.5 Use of funds.

Any funds made available to school food authorities under this part shall be used only to obtain agricultural commodities and other foods for use during the fiscal year in which the funds are made available in the food service programs of those schools under this jurisdiction which participate in the lunch and breakfast programs under the National School Lunch Act and the Child Nutrition Act of 1966. **Such food shall be limited to that necessary to meet the requirements set forth in subsection 210.10** of Part 210 of this Chapter and subsection 220.8 of Part 220 of this Chapter.

Subsection 240.6 Payments to school food authorities.

Each State agency, or FNSRO where applicable, shall promptly and equitably disburse any funds received under subsection 240.5 of this part to the school food authorities under their administration. On or before disbursing funds to school food authorities, State agencies and FNSROs shall notify them of the reason for the special disbursement, the purpose for which these funds may be used and, if possible, the amount of funds they will receive.

Subsection 240.7 Records and reports.

Each State agency shall: (1) Maintain records and reports on the receipt and disbursement of funds made available under this section and shall retain them for a period of three years after the end of the fiscal year to which they pertain; (2) **submit monthly reports to FNS** on a form prescribed by FNS, reflecting the status of the receipt, disbursement and expenditure of such funds, **until such time as all of the school food authorities have reported that the funds received under subsection 240.6 have been expended for food** which meets the requirements set forth in subsection 210.10 of Part 210 of this chapter and of subsection 220.8 of Part 220 of this chapter; and (3) **establish such controls and procedures to assure that the funds made** available under subsection 240.6 are not included in determining the State's matching requirements prescribed in subsection 210.6 of Part 210 of this chapter and **that the cost of food purchased with such funds is not included in the costs used to determine the amount of reimbursement to be paid under Parts 210 or 220 of this chapter.**

Sec. 240.8 Phase out of commodity distribution facilities.

Notwithstanding any provision in this part to the contrary, where the Secretary finds that a State has phased out its commodity distribution facilities prior to July 1, 1974, according to the previously stated intention of the Department of Agriculture to terminate the commodity distribution program and lacks the personnel, facilities, and budget to distribute commodities for the school lunch program, the Secretary shall disburse to such State an amount not less than 10 cents, adjusted annually to reflect changes in the series for food away from home of the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor, for each lunch meeting the requirements of Sec. 210.10 of Part 210 of this chapter. Such payments shall be made by means of Letters of Credit issued by FNS to appropriate Federal Reserve Banks in favor of the State agency. Provisions of this part with respect to matching, use of funds for lunches, payments to school food authorities and records and reports of lunches are applicable.

Effective date: This amendment shall become effective October 4, 1974.

Dated: October 2, 1974.

RICHARD L. FELTNER,
Assistant Secretary.

Board of Education

UNIFIED SCHOOL DISTRICT NO. 409

DR. LAWRENCE BUTLER, Superintendent

[illegible] KANSAS AVE., ATCHISON, KANSAS 66002

Phone 913-EM 7-4384

February 12, 1975

Ms. Ione George, Director
Food Services
Kansas State Department of Education
120 E. 10th Street
Topeka, Kansas 66612

Dear Ms. George;

I've been requested by a member of our Food Service Organization to let you know how I feel about receiving cash in lieu of commodities. It is our feeling in Unified School District #409 that the cash offers several advantages over the other program.

First, it lets us buy the food items we need to make the trays more attractive and appetizing, instead of having to use the less desirable commodities furnished. Second, the storage problem is not near as great by having to store several months supply of commodities. Third, we believe the way the paper work is being solved in this program is important. We have cut out several reports that have previously been required in regard to the Commodity Program. This a rare accomplishment in todays Federal Programs.

I will be glad to visit with you in any other aspects of the program but will encourage you to express these views as you receive opportunities at the federal level.

Sincerely,

William Sellers

William Sellers
Assistant Superintendent

OLATHE DISTRICT SCHOOLS
U. S. D. No. 233
M. L. Winters, Superintendent
Box 2000 - 1005 Pitt Street
OLATHE, KANSAS 66061

Jan. 16, 1975

To: Mrs. Ione George, Director
School Food Services Section

Subject: Cash in Lieu of Commodities

Commodities received 1973-1974 School Year

Green Beans	156 cans	$ 187.20
Dry Beans	3950#	750.50
Ground Beef	3575#	3682.25
Butter	13,680#	12,722.40
Frozen Chicken	8910#	5917.47
Cornmeal	900#	75.60
White Flour	75.000#	9120.00
W.W. Flour	600#	78.00
Peanut Butter	24 cans	99.00
Peanut Butter	744-#21/2 cans	505.92
Pears	144 cans	180.00
Pears	#21/2 can-1632 cans	750.72
Plums	576 cans	237.31
Fro. Pork	880#	1047.20
Rice	288#	62.40
Shortening	1080#	1036.80
Sweet Potatoes	102 cans	163.20
Tomatoes	480 cans	608.01
Fro. Turkeys	324 heads	4536.00
Rolled Oats	576#	125.60
Oil	184 Gal	55.07
Orange Juice	2331 can	2525.17
Bulgar	432#	33.74
Grapefruit Juice	9.2 can	490.66
Cranberry Sauce	378 can	752.60
French Fries	270#	81.00
Franfurters	2640#	2402.40
Canned Poultry	1200 cans	2885.52

Value of commodites received $51,611.74

Type A lunches served to students 1973-1974— 532,656
Value received per plate = .0969

Freight and storage to McCarter Truck Line and Santa Fe Freight & Storage - $3841.48

Cost of freight and storage per Type A Plate to students - .0072

The cash in lieu of commodity program is better for Olathe Food Service.

Purchased with these funds for Sept., Oct., Nov., 1974(total amount received was $19,805.80) are the following foods.

5000# Ground Beef	.58	$2900.00
300 Cs Peach halves	11 60	3480.00
100 cs Corn	8.13	1160.00
50 cs Tomato Puree	8.15	407.50
100 cs Sliced Peaches	11.60	1160.00
100 cs dry eggs	20.90	2000.00
100 cs Instant Potatoes	16.79	1679.00
300 cs green beans	8.20	2460.00
100 cs Apples	26.95(vacudry)	2695.00
100 box frozen corn	5.05	505.00
		$19,743.50

Advantages:

1. District may purchase food which the students in their will eat. - ex. grapefruit juice vs. peach slices.

2. District does not have to have storage space for items delivered in Aug. and not used until end of school year. Items may be delivered by local companies as needed.

3. Food items may be purchased as planned for in menu's made according to student participation studies.

4. Cost of food seems to be less than commodity cost with freight and storage added on to cost.

5. Less wasted food.

6. District would not have an item such as 2640# of frankfurters to use up in one month. Olathe received 21,120 franfurter to use in the month of May. They could not be held over the summer. Students were very unhappy with the lackof variety in the menus. Participation declined.

Senator DOLE. As the Chairman has said, we plan to adjourn until 1:45. If there are witnesses in the room who, rather than waiting until 1:45 would like to file their statements, their statements will be made a part of the record. We would be happy to receive those statements at this time.

I think Mr. Scott would like to file his statement and maybe take a minute or two.

Mr. Scott, your entire statement will be made a part of the record. I have read it. If you could just briefly indicate the thrust of it.

STATEMENT OF ED SCOTT, SUPERIOR SCHOOL SUPPLIES, INC., PARSONS, KANS.

Mr. SCOTT. Mr. Chairman, thank you.

My name is Ed Scott. I am from Parsons, Kans. My remarks will be very brief, and I hope perhaps maybe of a little bit of value.

Basically I am a businessman, and I would like to give some input into the school food service program, especially as I see it from a business management point of view; some of the things that might be incorporated that might result in some better practices.

There seems to be a lack of school administrators getting behind the program and making it an integral part of the program instead of an auxiliary service. This is one point I do have in my minutes, and I would just like to mention it. I think basically overall the school food service program has improved. It has improved tremendously since I was a school superintendent. We are employing better people; we are feeding better meals; we are providing better facilities.

The Child Nutrition Service Division is going into a cost accounting system which will have a tremendous impact, a good impact upon the program, because the better management we have, then the more efficient we are going to be.

Senator DOLE. Mr. Scott, I think the thrust of your statement is that you have developed some system, and that is what I wanted to highlight. Could you just touch on that?

Mr. SCOTT. All right, sir.

Basically I have spent 4 years developing an accountability system. The primary design of the system initially was to provide accountability and eliminate any discrimination of any child as to whether he is getting free, reduced or full price meals. I do think that perhaps some of the reluctance of children to participate as a reduced child is because of discrimination in the system that we see used.

I would be happy to sell the product to any district, and of course, not to the committee or to you people here.

Senator DOLE. No, we do not want any.

Mr. SCOTT. I did want to point out that there will be an accountability requirement. There is a need for an accountability system within the districts. At the present time the Child Nutrition Service is auditing some of the largest school districts. In their statement they think that by spending $2 million in auditing they will get back overclaims for about $10 million. Unless we do have accountability, we do not know what the costs are anyway.

So I think that the thrust they are putting on accountability is going to end up with better managed program, more economically managed programs, and might even possibly come up to the point some day where they will not be needing more funds for these new things.

Senator DOLE. That in essence is what ACCU-TAB does, then.

Mr. SCOTT. Yes, sir. It does provide an exact accountability.

Senator DOLE. You have it now in about 350 schools, is that correct?

Mr. SCOTT. Yes, sir.

Senator DOLE. How many years of experience have you had with it?

Mr. SCOTT. Four years.

Senator DOLE. So you have enough experience or history to know that you can draw some fairly accurate conclusions.

Mr. SCOTT. Yes, sir; we have. We are leaving here to place some in operation in the District of Columbia so that if anybody in this immediate area would like to observe it in the future, it will be pretty close to do so.

Senator DOLE. It has been approved by USDA, is that correct?

Mr. SCOTT. Yes, sir, it has.

Senator DOLE. If the staff could be advised where you are going to place the one in the District of Columbia, they would like to take a look at it.

Mr. SCOTT. We have some information I would be glad to hand to you before we leave here.

Senator DOLE. All right. Fine.

Thank you very much, Mr. Scott. I appreciate your efforts. I am sorry you had to rush through your statement. We will include your prepared statement in our record.

[The prepared statement of Mr. Scott follows:]

STATEMENT OF ED SCOTT, SUPERIOR SCHOOL SUPPLIES, INC., PARSONS, KANS.

Mr. Chairman and Members: I appreciate the opportunity to appear before this committee in your consideration of the Child Nutrition Act. It is my understanding that my varied experiences as a school administrator, a businessman and my visits in hundreds of food service operations was the basis for my being extended this honor.

My visiting and observing school food programs has been in conjunction with the development and subsequent marketing of a product, "ACCU-TAB". ACCU-TAB stands for accurate tabulation of lunch participation. It is a complete system of participation and accountability to assist and assure accuracy in this phase of the food service program. We started designing ACCU-TAB in April of 1971. Our marketing efforts were confined primarily to Kansas until we were certain we had a reliable product. The system is now in use in more than 350 schools, and we have recently expanded our sales to 14 states.

On March 6, 1975, ACCU-TAB was demonstrated to the Child Nutrition Division. Subsequently, I requested that the Division determine the allowability for purchase of such equipment under the Nonfood Assistance Program. Such equipment is now considered to be allowable and instructions are being revised to reflect this.

In visiting with State Food Service Directors, I have been informed that there are not enough funds in this phase of the food service programs to adequately meet the needs of the schools.

The following viewpoints of a small businessman may give a different perspective. Perhaps some good may result. Any criticism noted is not directed toward any agency or group. It is intended as a basis for constructive progress.

There has been a constant, commendable improvement in the variety of nutritious meals served . . . Better qualified personnel are involved. Training workshops conducted by state and federal agencies and programs such as offered by the Minnesota Vo-Tech Schools have been of great value in this respect . . . In some Districts the food service program is an integral part of their educational program. Other Districts treat the Food Service Program as only an auxiliary service . . . To have a "trophy winning" program, and for food service to become an integral part of the educational program, it must be implemented from the Board of Education and Superintendent on down . . . Many school districts have not developed policies or guidelines to establish proper goals and support for the program . . . The School Food Service operation is, in all probability, the biggest food service operation in that locale. It is "Big Business" in every district . . . It is imperative that School Food Service be placed on a business management basis.

Business Management must include the following practices:

1. Develop goals, policies and guidelines to give organization and success to the operation.
2. Employ and retain qualified persons who desire to produce a quality product.
3. Provide proper facilities and tools to get the job done.
4. Maintain sufficient financial support to assure a continuous operation.
5. Keep necessary (and only necessary) records to provide:
   (a) Proof of responsible management and operation, and
   (b) Data pertinent to the improvement of the program.

To comment on all of the above would be too lengthy. These are all necessary factors. They are the responsibility of local school districts with assistance from the state and federal levels. Practice No. 1 is of utmost importance. It is the first step. In giving adequate consideration to this, most of the practices listed will be included.

There exists a lot of fear and confusion among school administrators and food service directors as to the proposed requirements in the area of food service accountability.

Most of the fear is due to the lack of accounting background or training among school administrators and food service directors. Another fear factor—and a logical one—is how much detail work is going to be involved, and who is going to do it? (Personnel, time and expense).

Confusion has been caused by the lack of co-ordinating requirements from various state and federal agencies. The involved agencies should work jointly to make certain that the data requested is needed, is not a duplication of effort, and reporting forms are simple in format.

It probably is not possible to develop a single uniform accounting system which would be practical for every school food service operation. It is feasible to establish requirements to be met by whatever systems are used.

The first common problem confronting all schools is in the area of participation. This data must be exact, for this is the basis of reimbursement claims and payments. In any system used, the following criteria should be met:

1. A record maintained of all cash collections and deposits.
2. Participation count should be made upon entering or leaving the serving line. A record of daily participation should be kept. Proof of participation is recommended.
3. The dignity of students receiving free and reduced meals must be maintained.
4. Leakage of cash and "free-loaders" must be eliminated.
5. The system must not consume a lot of extra work or time.

This diagram may clarify the value of the above requirements:

Total meals served equals participation count. Participation count (needed for reimbursement claims) equal breakdown as to number of students eating free, reduced, full price, adults, non-paying workers, free milk, paid milk. Factors tallied plus participation breakdown equals dollar value. Dollar value equals collections equals bank deposits.

(With your kind permission, a commercial will be inserted at this point: Based upon these needs for an accountability system, ACCU-TAB was designed and developed. We took the needs of the School Food Service Program and designed a system to exactly meet these needs.)

Other records must be kept in order to have accountability. It is urged that these requirements be kept as simple as possible and yet complete enough to meet the required needs of accountability.

The task to implement this program in the food service operation should be a tremendous challenge. Properly implemented accountability should result in better business operations.

In addition to these personal remarks, I have attached copies of a few letters received from various School Food Service Directors.

MUSKOGEE CITY SCHOOLS,
EDUCATION CENTER,
Muskogee, Okla., April 9, 1975.

To: Mr. Scott, Superior School Supplies, Parsons, Kans.
From: Juanita Adams, Director, School Food Services, Education Center, Muskogee, Okla.

Message:

The child nutrition programs provide Federal cash and donated food assistance to non-profit schools of high school grade and under and to child-care institutions to use in serving well-balanced meals and milk to children. Additional cash assistance is provided for meals and milk served free or at reduced prices to children who are determined to be unable to pay the full price under local family size and income standards established in accordance with minimum and maximum national income poverty guidelines.

1. Since 1969, the federal budget for Child Nutritions Programs has more than tripled from about $500 million to over $1.5 billion. As a result, the fiscal operating, supervisory, and administration responsibilities of cooperation State Agencies and Local School Systems have vastly increased.

2. Free and reduced price lunches now account for over one-third of all lunches served. With more than 8.5 million children now receiving free or reduced lunches, State and Local Agencies should and must exercise extensive supervision over this aspect of the program, many times greater than was necessary five or six years ago when free lunches accounted for less than 15 percent of the total program.

3. The level of funding, as well as eligibility requirements for the Breakfast program has been greatly liberalized. As a result, the size and scope of this program will continue to increase. There is a clear cut need for additional personnel.

4. The inclusion of all Headstart Centers in the Special Food Services Program for children. This program is a substantial increase in work load for the states who do administer this program without a commensurate increase in federal funds.

5. School Lunch is no longer a "one pot" distribution center, it is big business and improved management is a must

6. School lunch personnel is being trained in state level state sponsored workshops. More high level management techniques are needed (funds for training).

7. Escalating food prices, the lack of availability of certain rising prices of equipment, changes in types of food services mandated by students with changing concepts of what constitutes a good meal and maintaining adequate nutritional standards are factors that create tremendous impact on the financial need of the Child Nutrition Programs.

8. Cost variations between Regions and States pose problems. Regardless of meal costs differences or higher labor cost, Federal payment to States are made on the same basis. The continuing trend toward school consolidation, the current extension of minimum wage coverage, and ever-constant population shifts have major effects on lunch program cost.

9. Non-food items necessary for program operation are not usually considered when appropriations are made.

10. Budgets not available before programs are planned, cause hardships in good planning (before school year begins).

Permanent legislation with adequate and inclusive coverage would help to alleviate some program inadequacies.

11. As a reliable tool in an effort to collect daily information which is accurate, the Accu-Tab Machine is a valuable asset. It is certainly one way to eliminate many of the problems encountered as one implements and administers the school lunch program.

Some of the outstanding features that I have found most helpful are listed below.

1. It eliminates visible discrimination.
2. It provides an accurate count on all types of lunches served.
3. It is practically maintenance free.
4. Operational cost is minimal.

If funds were available I would purchase one for every operation.

In order to acquire more significant evaluation data regarding the effectiveness of program operation, program accountability must be assessed and standardized methods instituted.

It is believed that matching requirements from state-level funds should be removed.

Re Accu-Tab.

To Whom It May Concern:

We have used the Accu-Tab program in our Junior High and Senior High for two years. The principals have given such fine reports that our elementary people have requested machines and so now we also have a machine in each of our five elementary schools.

We have found the Accu-Tab to be the only reasonable way to be sure we have no discrimination in issuing different types of lunch tickets (free, reduced and paid) and still have time to conduct school. The principals are relieved to know that they have accurate lunch counts along with quick reconciliation of money collected. I'm sure our district will never want to return to the days of manual lunch counting and accounting.

DAN NEUENSWANDER.

UNIFIED DISTRICT NO. 404,
Riverton, Kans., September 10, 1974.

MR. ED SCOTT,
Superior School Supplies Inc.,
Parsons, Kans.

DEAR ED: I just thought I would drop you a line to let you know how much we appreciate the Accu-Tab. We purchased our Accu-Tab in 1972, not realizing at that time its full potential. As an Elementary Principal, I was confused and frustrated with the tedious task of counting and recounting lunch money, selling tickets, trying to protect the identity of free lunch participants, counting adult lunches with milk, etc. One of my greatest concerns was the time teachers were spending selling lunch tickets, and keeping the books balanced. The other problems arising from changing state and federal guide lines were too numerous to itemize. Today I am very happy to report to you that your Accu-Tab has certainly changed the picture at our school. As soon as the last person is through the lunch line, we know exactly the number of adult lunches, student lunches, free lunches, reduced lunches, and adult milk served that day. Our teachers no longer collect lunch money—they have no idea who receives free or reduced price lunches. In fact there is only one person other than myself who knows the identity of free or reduced participants. Ed, I am sure you don't need to be sold on the functions of the Accu-Tab, but I did want you to know it's working great for us.

Sincerely,

JACK TURNER,
Elementary Principal.

MARION UNIFIED SCHOOL DISTRICT NO. 408,
OFFICE OF THE SUPERINTENDENT,
Marion, Kans., December 19, 1974.

SUPERIOR SCHOOL SUPPLY,
Parsons, Kans.

DEAR MR. SCOTT: I have just completed my reports to the State Food Service and I feel I would like to express to you and your company the appreciation I have for the services of the accu-tab machines and reporting forms. I have five attendance centers reporting through three kitchens. I must complete a separate form for the three kitchens. Last year it took me one and one-half to two hours to make each report and then I could never get the State to agree with me. The lunch count was taken on tray count only and on my reports I came up with some 80 to 100 adult meals short and a guess work count on free student meals. This accounting irregularity caused for some questions by the Board of Education and built up pressure between the administrators, lunch supervisor and the board.

In looking for other ways and a need for more accurate means of accounting I observed the accu-tab machine at Herington. As I checked into their use of the machines and forms I liked what I saw. "Jim" came by for the spring order and we discussed the machine and price. I visited with my building principals and they agreed to examine the machines and forms. We felt if we could try it in one kitchen we could find out and decide if it would meet our needs. "Jim" was scheduled in for a demonstration with all administrators. From this meeting it was agreed to try the program in the entire district. Another demonstration was scheduled with the secretaries who made the reports and collected the money from each building. One secretary has been in Florence for many many years and it was questionable if she would be willing to even give it a try.

I reported to the board at the Aug. Board meeting what we were going to try. The board was very questionable and kept close check with all areas of the district. At the Oct. Board meeting when the bills for the three machines and supplies were presented I had finance and reimbursement results to also submit. The board approved purchases of the program and complimented the administrators on the purchase and accountability of the program.

I am now able to complete all three kitchen reports in about an hour instead of the five to six hours. We have had reduced price meals along with free meals. Every person that goes through the lines has a ticket, these numbers are recorded giving us an accurate count on students paid, students free, students reduced, adult, milk and extra milk. All tickets are paid for before they are issued where last year there was charging done and in some cases some bills were never paid. In October the revenue was $454 more than revenue of October of last year. This amount came from being able to account for everyone coming through the line, reduced meals, and tickets paid for on time. Some teachers and custodians had not been paying last year. Many students did not qualify for free meals but did qualify for reduced meals.

I did want you to know how we have put your program to good use. It has taken pressure off me as the chief administrator. It has decreased staff time in making out reports. It has increased income and a definite more accurate accounting. All persons working with the accounting support it 100%, even the questionable secretary.

I would also commend your company for service on these machines. We had one problem with a machine at Marion Elementary that was taken care of within the day, and the machine at Florence had a ticket stuck in it. I guess I should say the machines are almost without need of service, yet we feel you were there when we needed it.

Thanks again! This satisfaction, service and savings with these machines will give us justification of more orders to come your way on school supplies.

Also, from the staff here in U.S.D. 408 we would wish you and your staff a very Merry Christmas and a most Joyous New Year.

Sincerely yours,

MERLIN L. (JERRY) MURRAY,
Superintendent of Schools,
U.S.D. No. 408, Marion-Florence.

GEARY COUNTY UNIFIED SCHOOLS,
District No. 475,
Junction City, Kans., May 29, 1974.

MR. JIM LEISZLER,
Accu-Tab Representative,
Superior School Supplies, Inc.,
Parsons, Kans.

DEAR JIM: Just a line to let you know that you were absolutely right about Accu-Tab. We can take all the counting of money and record keeping out of the hands of the teachers and do it through the office in one-tenth of the time.

Teachers love Accu-Tab now that they don't have to start the day counting lunch money and making the records balance.

Accountability is super now that we have a receipt for every meal we serve each day. Our record keeping takes less than 20 minutes for the entire week.

We would have to admit to you now that what you told us on your first visit did not seem possible. Now we can say that you were being quite conservative in your remarks about Accu-Tab. The thing that really sold us was putting it into operation and observing the results.

There has been a number of times, when we were filling out our financial statement, that we said how fortunate we were that you stopped to talk to us about Accu-Tab.

Also it has been nice getting to know you. We think you are a Great Guy.

Sincerely,

JOHN LUTH,
Principal.
KAYLENE RIFFEL,
Secretary.

Senator DOLE. Does anyone want to file a statement?

If not, the hearings will be adjourned until 1:45, at which time Senator Leahy of Vermont will be presiding.

Thank you very much.

[Whereupon, at 12:36 p.m., the subcommittee recessed, to reconvene at 1:45 p.m. the same day.]

AFTERNOON SESSION

Senator **Leahy**. [presiding]. The subcommittee meeting will come to order.

For those of you whom I have not met before, I am Patrick Leahy, the junior Senator from Vermont.

Our next witness is Susan Fridy, who is the legislative representative of the National Milk Producers Federation.

Due to the many witnesses, the committee is limiting statements to 10 minutes. I would point out to Ms. Fridy and to anybody else who wishes to testify that the committee will have no objection to your full statement being included in the record. I would recommend, if at all possible, that you hit the high points of it, and also cover any other particular areas that you feel should be covered.

We are glad to have you here.

STATEMENT OF SUSAN FRIDY, LEGISLATIVE REPRESENTATIVE, NATIONAL MILK PRODUCERS ASSOCIATION

Ms. **Fridy**. As you know, Patrick B. Healy was to come and testify. He was unable to come and I will be representing him. I am accompanied today by Mr. John Adams, who is our Director of Environmental and Consumer Affairs.

I am Susan Fridy, legislative representative of the National Milk Producers Federation, which is a national farm commodity organization representing dairy farmers and the dairy cooperative associations which they own and operate. These cooperatives range from small groups to very large federated organizations, operating throughout the continental United States and Alaska.

We are proud of our record as long-time supporters of legislation to provide good nutrition for the children of our nation.

Dairy products are well recognized as an essential ingredient to a balanced diet. We, therefore, have a direct interest in the bills before you today to strengthen the school lunch and child nutrition programs.

We were alarmed at the administration's budget proposal to eliminate the present child feeding programs and provide a block grant to the States in lieu of these programs, which we feel Congress has carefully developed over the years.

The block grant proposal would reduce the overall child nutrition program by approximately $600 million. This is certainly not the year to entertain any ideas about reducing child feeding assistance. In the face of rising foods costs, high levels of unemployment, inflation, and the desperate economies of many local governments, more and more families will rely on these programs which enable their children to participate in a reduced cost breakfast, lunch, and special milk supplement.

Even if the block grant proposal would not reduce the Federal share of assistance for these valuable programs, we foresee no advantage in the Federal Government losing its control over the nutritional requirements which carefully assure each child the greatest food value for his needs. Loss of Federal regulation of the child feeding would create an inequity among children in different areas of our country. Local areas might be persuaded to patronize local economies and lose the concept of a well-balanced meal at lowest possible price.

It is for this reason, greatest food value for each dollar spent, that we have always supported provisions which instruct the Secretary of Agriculture to make bulk commodity purchases for use in the child feeding programs. The Secretary of Agriculture is in a particularly good position to determine the best time to make bulk purchases at the best price. In addition, this purchasing authority can serve as a tool for stimulating various commodity markets and help divert a depression of farm prices.

Part of the administration's budget proposal was to eliminate direct funding for special food service, the breakfast program and WIC, which would mean an end of food benefits for 13 million children. One program which would have been terminated is the special milk program which provides an additional half pint of milk at reduced price for each child. We have heard the argument that with the expansion of the school breakfast and lunch programs, children do not need another half pint of milk. We would like to point out that many children prefer to bring their own lunch which they supplement with milk purchased at school. Why should not these children enjoy a reduction in the price of their milk, as do those who purchase a full meal, so that all children can benefit from the Federal food programs?

In addition, many children want to consume a second half pint of milk with their lunch or breakfast. In an age when children are continually tempted by foods which offer little nutrition and empty calories, we should encourage consumption of wholesome foods. Reduced price milk is just such a way to make good nutrition more available. The addition of milk to a meal or snack is the addition of a whole food, not simply a beverage.

The special milk program has been, over the years, one of the most effective and least costly means of improving child nutrition. Yet there is annually a battle to keep this program fully funded. Yearly, the budget proposal reduces or eliminates the Special Milk appropriation. Yearly the Congress reinstates the appropriation. But the problem lies in the inability of the local school to plan for the milk program.

The year 1973 is an example of this problem. The budget request was only $25 million. Congress increased this to $97,123,000. But, because schools could not plan in advance for use of these funds, the money was not completely used for fiscal year 1974. Had the local school administrators been assured of the funds, the money would have been put to its full use.

We are encouraged by proposals before you to provide for adequate planning time at the local level by appropriating sums for child nutrition programs a year in advance of the fiscal year in which the funds will become available for disbursement to the States. A provision of this type would solve many problems at the local level, as well as assure full utilization of available funds.

We have been concerned with the growing trend to allow nutritionally equivalent foods substitute for the wholesome foods now recognized by USDA regulations. Determining such equivalency on one basis alone is not a true measure of food value. Protein is usually the basic component in comparing foods by such proposals, but high quality protein is only one of milk's vital ingredients. The nutritional value of a glass of milk is enhanced by the special combination of milk's components which complement one another.

Understanding the delicate balances of good nutrition and those foods which are more nutritious when combined with certain other foods is basic to understanding good nutrition.

The dairy industry has an excellent record of providing nutritional education materials and services to the school systems. To this end, we commend you for the provisions which encourage the teaching of the principles of good nutrition in the schools.

While my next subject is not actually one we would expect to be a part of the legislation you adopt, we would like to bring it to your attention.

Last year, the Department of Agriculture rewrote regulations concerning the definition of milk which is made available through the child feeding programs. In an effort to increase milk consumption by allowing students a choice of milk as a part of a type A lunch, the Department allowed the inclusion of milk other than whole milk. Some schools have abused this flexibility by offering students only low fat or skim milk, which can be purchased at a savings to the schools. Since many students do not care for skim milk, this has lowered milk consumption in some cases. We suggest that USDA review their regulations referring to the definition of milk to assure that children are offered whole milk, when other types of milk, such as low fat, are made available.

We support the inclusion of language in the bills considered by this committee declaring the proper nutrition of the Nation's children to be a matter of the highest priority of Congress. Certainly, the mental and physical growth of our Nation's children is dependent upon making nourishing, wholesome and adequate quantities of food available to them. In many cases, a child's best nutrition is made available through his school food service program. These programs should, therefore, reflect the best food value our Nation can provide.

Thank you.

Senator LEAHY. Thank you very much.

You have no objection to skim milk being offered provided there is also an offering of normal whole milk.

Ms. FRIDY. We have no objection to skim milk or lowfat milk or any of the flavored milk.

Senator LEAHY. So long as the other is made available?

Ms. FRIDY. Yes; so long as the whole milk is available at the same time.

Senator LEAHY. And you support the WIC program?

Ms. FRIDY. I personally think it is a fine program.

Senator LEAHY. I happen to agree with you, and I am always happy to hear witnesses who are enlightened enough to have the same view that I have on subjects. I am always concerned, of course, about those who might have a different view on whatever the subject might be.

Mr. Adams, was there anything you wanted to add to the testimony?

Mr. ADAMS. No; thank you.

Senator LEAHY. We certainly appreciate you being here on behalf of Mr. Healy, and giving us the comments that you did.

Ms. Fridy. Thank you very much.

Senator Leahy. Thank you.

Next on the list we have Mrs. Annie Galbraith and Ms. Emma Clinkscales.

For the record, Mrs. Galbraith, am I pronouncing that correctly?

Ms. Galbraith. The only thing wrong with the pronunciation is that it is Ms. and it is Galbraith.

Senator Leahy. I stand corrected. Ms. Galbraith is the associate director of the dietary department and dietetic internship director of the MGH in Boston. She is also president-elect of the American Dietetic Association. Ms. Clinkscales is the director of the Nutrition Services of the Bureau of Maternal and Child Health in the Alabama Department of Health in Montgomery, Ala.

We are very happy to have you both here. If you care to lead off, go ahead.

STATEMENT OF ANNIE GALBRAITH, ASSOCIATE DIRECTOR, DIETARY DEPARTMENT AND DIETETIC INTERNSHIP DIRECTOR, MASSACHUSETTS GENERAL HOSPITAL, BOSTON, MASS.

Ms. Galbraith. Thank you very much, Senator.

We do have a little more detailed statement which is prepared and you have indicated will be filed. We are going to highlight that just a bit for purposes of our conversation this afternoon.

Senator Leahy. Certainly.

Ms. Galbraith. The Senator has introduced us and given most of our credentials. I would add that we are both registered dietitians, and we are here to present a statement on behalf of the 26,000 members of the American Dietetic Association in support of the provisions of S. 850. We join those who are expressing concern over the possible termination of child nutrition feeding programs. We would urge the enactment of legislation to extend and revise the existing programs. Dietitians are particularly concerned with the administration's block grant proposal that would eliminate support currently being given to schools to help defray the costs of breakfasts, lunches, and milk served to the children of the so-called middle income or wealthy families; make the assured support of day care and summer feeding programs questionable; and, almost entirely erase the WIC program, the womens, infants, and childrens feeding program. For this reason we support S. 850, a bill that would lend some assurance to the continuing nutritional benefits of each of the aforementioned programs.

We understand that some individuals have recommended a change in the school lunch program, which now requires that a nutritionally adequate meal be served. They would only require only that a nutritionally adequate meal be offered.

In our opinion, such a change would eliminate any nutritional standard for the meals served in school and would not meet the intent of the program. A regulation that would apply to the offering of a selection of food items in the type A program, particularly at the secondary school level, accompanied by a nutritional education program, would in our opinion, be a far more positive approach.

Without a nutritional standard for the school-served meal, there is no assurance to children or parents that the meal served or offered is making its full contribution to the health of the consumer.

We believe that nutrition services under the supervision of qualified nutrition personnel should be a component of all health-related programs and should be designed to reach the total population with priority to such nutritionally vulnerable groups as infants, children, and youth in the growing years, and women in the child-bearing years.

Further, we believe that nutrition education should be available to all individuals and families and, in schools, should be a basic curriculum requirement. School feeding programs in which there is continued application of current nutrition knowledge and coordination with nutrition education in the classroom should be available to all children.

The American Dietetic Association's position is that the inclusion of nutrition as a component of health care will significantly reduce the number of people requiring medical care services, a most expensive service in today's economy.

In our opinion, the provisions of S. 850 will help to expand existing services and give some assurance that the vulnerable groups will be reached with assistance in maintaining their nutritional health.

Evidence mounts that Americans who fail to attain a diet optimal for health care can be found at every socioeconomic level. The poorly nourished woman risks complications in pregnancy, as well as the chance that her infant may be of low birth weight with accompanying risk of retarded physical and mental development. We are aware of the high incidence of overweight as well as underweight in school-age children and adults. We are also aware of the fact that dental diseases as well as the prevalence of chronic illness require dietary treatment, monitoring and followup.

We are concerned that the opportunities afforded through the current child-feeding and supplemental programs may not be fully utilized in contributing to the health education of the participants and for this reason may be diminished in scope rather than expanded and promoted.

It has been reported that some 650,000 low income women, infants and children are currently receiving supplemental food through the WIC program which will begin to phaseout as of June 30, 1975, unless legislation such as S. 850 is enacted. This is a program scarcely 2 years old.

The impact of termination of such benefits when they have been received for such a short period of time would be negative both physically and phychologically. Furthermore, the collection of sound nutritional data to measure the results or effect on the nutritional health of the recipients becomes almost impossible under such short-term programs

In commenting on the short-lived feature of the WIC program in 1973, The American Dietetic Association said:

> If this were made into a permanent program with increasing funds to allow new participating programs each year, WIC could effectively improve the nutritional status of young children in America.

We approve the provisions of S. 850 which would make WIC a permanent program and expand the eligibility conditions for participation.

In 1973, the ADA was also aware that the WIC program did not have sufficient funds specifically earmarked for the administration of the program and for nutrition education. The purpose of the program is to improve the nutritional status of its participants. We believe that on a continuing basis one of the greatest benefits from the WIC program will be the establishment of sound nutritional habits that will provide some assurance of nutritional health throughout life. Without competent guidance and meaningful nutrition education, such a goal cannot be achieved. S. 850 recognizes this need and makes certain that funds for nutrition education and outreach programs are included in administrative costs.

We are especially pleased that competent professional authority is defined in this new bill as those being competent professionally to evaluate nutritional risk. Only when professionally educated nutrition personnel take part in the assessment of the status of the applicants, and their instruction as well as their progress can the optimal nutritional benefit from the supplemental food program be assured.

We have learned from dietitians working with the WIC program of the need for more flexibility in the content of the food packages being offered. S. 850 states:

> The contents of the food package shall be made available in such a manner as to provide flexibility based on medical necessity or cultural eating patterns.

We concur with this part of the bill with the suggestion that the criteria for foods offered be based on total nutrient levels which the foods are expected to supply thus allowing for local adaptation to reflect ethnic and cultural patterns.

We also believe that accountability should be an established component when health programs of the magnitude of WIC are planned so that quality controls can be maintained both to improve and demonstrate measurable health benefits.

S. 850 provides for the screening of participants, the maintenance of adequate medical records to determine and evaluate the benefits of the nutritional assistance and the establishment of an advisory committee representative of those knowledgeable in health and nutrition as well as consumers. We commend the proponents of S. 850 for including this means of evaluation and assessment. However, it is likely that the impact of the program, if broadly based and thoroughly implemented in areas where populations have been at the highest risk, will be shown in a very few years in epidemiological data, indicating improved health status rather than an individually demonstrable clinical improvement. So the evaluation is not a simple matter.

The American Dietetic Association takes the position that nutrition education should be available to all individuals and families with the fundamental philosophy that such educational efforts should focus on the establishment and protection of nutritional health rather than on crisis intervention. It is needed regardless of income, location or cultural, social or economic practices or level of education.

We approve legislation that will continue and expand the opportunity for nutrition education to achieve the goal of promoting the well-being of the population.

I am submitting two position papers published by the American Dietetic Association: "Food and Nutrition Services in Day Care Centers," and "Child Nutrition Programs." These are two comprehensive statements made by the Association relative to the subject under discussion this morning. For emphasis I will quote only one statement from these papers:

> Legislation to establish an operating framework, program standards and authorization for appropriations needs to be continually updated to implement comprehensive child nutrition programs.

The provisions in S. 850 that would expand nutritional benefits in day care facilities to qualifying family day care centers of fewer than 12 children and to some 420,000 children in orphanages, homes for the mentally retarded, homes for the handicapped and those enrolled in other than regular schools should do much to enhance the nutritional status of these children. Provision of adequate technical assistance to plan for the management and nutritional adequacy of this program must be assured for the facilities.

The members of the American Dietetic Association believe that the achievement of comprehensive child nutrition programs will require reordering of certain priorities. The child nutrition program must focus on meeting the child's nutritional, physical, psychological and social needs through food, while serving as a vehicle for the child's learning about such interrelationships.

Enactment and funding of S. 850 should do much to meet these needs.

We will be happy to respond to any questions which the members of the committee may have for us. I thank you for your courtesy in permitting us to make this statement this morning.

Senator Leahy. Thank you.

Ms. Galbraith, you refer to the Senate Select Committee on Nutrition and Human Needs report that each increase of 1 cent in the price of school lunches causes 1 percent of paying students to withdraw from participation in the program.

Apparently there has been an even more recent study, as I understand, in the "American Journal of Agriculture and Economics," which indicates that when there is a 10-percent increase in the cost, there is a 30-percent decrease in use—in other words, a 3-to-1 ratio. This is along the line you are talking about, but even a greater drop. Would that figure surprise you at all?

I realize you have not seen the study yourself, but would that be consistent with your understanding of the program?

Ms. Galbraith. Yes, sir. It was my privilege to be here this morning, and I believe that that is consistent with the information appended to the American School Food Service testimony, which was stated here this morning. They had an inverse relationship in percentages in participation documented as an appendix to their statement.

Senator Leahy. I see. You also mentioned in your statement that 650,000 low-income women, infants, and children are receiving supplemental food through the WIC program.

First, I should ask you, would you recommend changes in WIC eligibility as such?

Ms. Galbraith. The provisions—let me speak to that and see if Emma can give me a better answer on that.

Senator Leahy. As I recall, there was no income eligibility as such. Are the people in it now primarily low income?

Ms. Galbraith. In WIC, yes. The thing that the 850 does that we think is very appropriate, the present funding—the proposal would extend the benefits to children to 5, which means that then you could pick the child up in Head Start or a school feeding program, which would seem to be an intelligent use of this. That particular figure comes out of the committee's report, and we rounded it a little. It was something like 638 and some other numbers.

Senator Leahy. Do you think 5 years should be the maximum age?

Ms. Galbraith. Well, if you are talking about women, infants, and children, I think that is all right. You could perhaps get at—the children should be going to school at 5, and we would assume that you would perhaps not necessarily want to duplicate that.

What would you say to that, Ms. Clinkscales?

STATEMENT OF EMMA CLINKSCALES, DIRECTOR, NUTRITION SERVICES, BUREAU OF MATERNAL AND CHILD HEALTH, ALABAMA DEPARTMENT OF HEALTH, MONTGOMERY, ALA.

Ms. Clinkscales. In Alabama our children do not get to school until they are about 6. If they could get into a day care center that would be fine, but we would love to have it up to 5; 6 would be that much better.

Senator Leahy. I see.

How long should post partum mothers be eligible?

Ms. Clinkscales. We would like it at least 6 months. I believe the current law says 6 weeks.

Senator Leahy. Do you both fell that way, in favor of 6 months?

Ms. Galbraith. I think that we have not discussed at all in this whether or not them others go into breast feeding, and I do not know how this applies in the program.

Ms. Clinkscales. The old law says if for a whole year she is breast feeding or as long as she is breast feeding, otherwise 6 weeks.

Ms. Galbraith. We do know that intraconceptional care can be a very important nutritional phase for women, particularly in low income areas.

Ms. Clinkscales. And so many of ours are so young, and are really still adolescents.

Senator Leahy. In your statement you speak of regulations that would apply to the offering of a selection of food items for the type A program. What sort of regulation did you have in mind?

Ms. Galbraith. This, I believe, exists in that one may know—if you read the papers, on Friday it is published, I know it is in the Boston Globe, what the menus are going to be for the school lunch. The type A may be indicated as meat loaf, mashed potatoes, carrots, coleslaw, and a baked apple. Or the option to that might be a sandwich and a salad, so that you would have the option in the menu items in a combination, rather than in a take-it-or-leave-it setting.

Senator Leahy. I see.

Well, thank you.

Ms. Clinkscales, did you have anything?

Ms. Clinkscales. I did not bring a paper. I am supporting her.

Senator Leahy. OK.

Did you have anything you would like to add.

Ms. CLINKSCALES. I am delighted to hear that you are a supporter of WIC. It means a great deal to us in Alabama.

Senator LEAHY. I am sure the committee is aware of my feelings on that. It has been very successful in Vermont, and I know there is a great deal of concern in our State over the program being curtailed.

I note in your statement you speak of the fact that it has been a relatively short program and of the problems that could occur if it was curtailed now. I think you are absolutely right.

Ms. CLINKSCALES. It has been a great help to us. But one of our problems is the areas that needed it the worst were not financially able to get it into operation. Hopefully, the administrative costs can go up so we can have it in many areas—it really would make a great deal of difference.

Senator LEAHY. Fine.

Thank you both for coming.

Ms. GALBRAITH. Thank you, sir.

Ms. CLINKSCALES. Thank you.

[The prepared statement of Ms. Galbraith follows:]

STATEMENT OF MS. ANNIE GALBRAITH, ASSOCIATE DIRECTOR, DIETARY DEPARTMENT AND DIETETIC INTERNSHIP DIRECTOR, MASSACHUSETTS GENERAL HOSPITAL, BOSTON, MASS.

My name is Annie Galbraith. I am President-Elect of The American Dietetic Association. I am employed as Associate Director of the Dietary Department and Dietetic Internship Director of Massachusetts General Hospital in Boston, Massachusetts. With me this morning is Miss Emma Clinkscales, who serves as Director, Nutrition Services, Bureau of Maternal and Child Health, of the Alabama State Health Department. We are registered dietitians.

We are here this morning to present a statement in behalf of the 26,000 members of The American Dietetic Association to support the provisions of S. 850, a bill to amend the National School Lunch Act and the Child Nutrition Acts in order to extend and revise the special food service program for children, the special supplemental food program and the school breakfast program and for other purposes related to strengthening the school lunch and child nutrition programs. The title of the bill is "The National School Lunch and Child Nutrition Act Amendments of 1975."

We join those who are expressing concern over the possible termination of child nutrition feeding programs. We urge the enactment of legislation to extend and revise the existing programs. Dietitians are particularly concerned with the Administration's block grant proposal that would eliminate support currently being given to schools to help defray the costs of breakfasts, lunches and milk served to the children of the so-called "middle-income" or "wealthy" families; make the assured support of day care and summer feeding programs questionable; and, almost entirely erase the WIC program. For this reason we support S. 850, a bill that would lend some assurance to the continuing nutritional benefits of each of the aforementioned programs.

The United States Department of Agriculture has predicted that the price charged for school lunches would rise about 22 cents per meal if the block grant concept goes into effect. In 1973, the Senate Select Committee on Nutrition and Human Needs reported that each increase of one cent in the price of school lunches causes one percent of the paying students to withdraw from participation in the program. In such an eventuality the local costs for presenting the meal must then be divided among the lesser numbers with an additional accompanying rise in the price to the child who pays for his lunch. It results in a vicious circle.

We understand that some individuals have recommended a change in the school lunch program which now requires that a nutritionally adequate meal be served. They would only require that a nutritionally adequate meal be offered.

In our opinion, such a change would eliminate any nutritional standard for the meals served in school and would not meet the intent of the program to supply one-third of the child's daily nutritional requirement as established by the recommended dietary allowances of the Food and Nutrition Board, National Academy of Sciences-National Research Council. We believe that the Type A Pattern is sufficiently flexible to allow for the provision of choices so that ethnic and regional preferences can be met. A regulation that would apply to the offering of a selection of food items in the Type A Program, particularly at the secondary school level, accompanied by a nutrition education program, would, in our opinion, be a far more positive approach.

The National School Lunch Act of 1946 from which all subsequent legislation on this subject has emerged had as its purpose "to safeguard the health and well-being of the nation's children." Without a nutritional standard for the school-served meal there is no assurance to children or parents that the meal "served" or "offered" is making its full contribution to the health of the consumer.

We emphasize our commitment to the establishment and the continuation of national nutrition programs[1] fully funded that will:

Make adequate food available to all people;

Provide nutrition education programs for the public, with emphasis in school and community programs;

Include nutrition in the educational programs of groups concerned with health care and education; and

Provide for nutrition services in all health care programs.

We believe that nutrition services under the supervision of nutrition personnel should be a component of all health-related programs and should be designed to reach the total population with priority to such nutritionally vulnerable groups as infants, *children* and youth in the growing years, and women in *the child-bearing years*.[2]

Further, we believe that nutrition education should be available to all individuals and families and, in schools, should be a basic curriculum requirement. School feeding programs in which there is continued application of current nutrition knowledge and coordination with nutrition education in the classroom should be available to all children.

The American Dietetic Association's position is that the inclusion of nutrition as a component of health care will significantly reduce the number of people requiring medical care services, a most expensive service in today's economy.[3]

In our opinion, the provisions of S. 850 will help to expand existing services and give some assurance that the "vulnerable" groups will be reached with assistance in maintaining their nutritional health.

Evidence mounts that Americans who fail to attain a diet optimal for health care can be found at every socio-economic level. The poorly nourished woman risks complications in pregnancy, as well as the chance that her infant may be of low birth weight with accompanying risk of retarded physical and mental development. We are aware of the high incidence of overweight as well as underweight in school-age children and adults. We are also aware of the fact that dental diseases as well as the prevalence of chronic illness require dietary treatment, monitoring and follow-up.

We are concerned that the opportunities afforded through the current child-feeding and supplemental programs may not be fully utilized in contributing to the health education of the participants and for this reason may be diminished in scope rather than expanded and promoted.

We believe that the passage and implementation of S. 850 would help to promote programs for the improvement of the nutritional health of a large segment of the population without discriminating against children and youth on the basis of family income. We view the programs outlined for continuation and expansion in this bill as an effective means of delivering nutritional care.

It has been reported that some 650,000 low-income women, infants and children are currently receiving supplemental food through the WIC program which will begin to phase out as of June 30, 1975, unless legislation such as S. 850 is enacted. This is a program scarcely two years old.

The impact of termination of such benefits when they have been received for such a short period of time would be negative both physically and psychologically.

---

[1] Position Paper: Recommendations, White House Conference on Food, Nutrition, and Health.

[2] Position Paper: Nutrition Component of Health Services Delivery Systems.

[3] *Ibid.*

Furthermore, the collection of sound nutritional data to measure the results or effect on the nutritional health of the recipients becomes almost impossible under such short-term programs.

In commenting on the short-lived feature of the WIC program in 1973, The American Dietetic Association said: "If this were made into a permanent program with increasing funds to allow new participating programs each year, WIC could effectively improve the nutritional status of young children in America."[4] We approve the provisions of S. 850 which would make WIC a permanent program and expand the eligibility conditions for participation.

In 1973, the ADA was also aware that the WIC program did not have sufficient funds specifically earmarked for the administration of the program and for nutrition education. The purpose of the program is to improve the nutritional status of its participants. We believe that on a continuing basis one of the greatest benefits from the WIC program will be the establishment of sound nutritional habits that will provide some assurance of nutritional health throughout life. Without competent guidance and meaningful nutrition education, such a goal cannot be achieved. S. 850 recognizes this need and makes certain that funds for nutrition education and outreach programs are included in "administrative costs."

We are especially pleased that "competent professional authority" is defined in this new bill as those "being competent professionally to evaluate nutritional risk." Only when professionally educated nutrition personnel take part in the assessment of the status of the applicants, and their instruction as well as their progress can the optimal nutritional benefit from the supplemental food program be assured.

We have learned from dietitians working with the WIC program of the need for more flexibility in the content of the food packages being offered. S. 850 states "The contents of the food package shall be made available in such a manner as to provide flexibility based on medical necessity or cultural eating patterns."

We concur with this part of the bill with the suggestion that the criteria for food offered be based on total nutrient levels which the foods are expected to supply thus allowing for local adaptation to reflect ethnic and cultural patterns.

We also believe that accountability should be an established component when health programs of the magnitude of WIC are planned so that quality controls can be maintained both to improve and demonstrate measurable health benefits. S. 850 provides for the screening of participants, the maintenance of adequate medical records to determine and evaluate the benefits of the nutritional assistance and the establishment of an Advisory Committee representative of those knowledgeable in health and nutrition as well as consumers. We commend the proponents of S. 850 for including this means of evaluation and assessment.

The American Dietetic Association takes the position that nutrition education should be available to all individuals and families with the fundamental philosophy that such educational efforts should focus on the establishment and protection of nutritional health rather than on crisis intervention.[5] It is needed regardless of income, location or cultural, social or economic practices or level of education.

We approve legislation that will continue and expand the opportunity for nutrition education to achieve the goal of promoting the well-being of the population.

I am submitting two position papers published by The American Dietetic Association: "Food and Nutrition Services in Day-Care Centers", and "Child Nutrition Programs." These are two comprehensive statements made by the Association relative to the subject under discussion this morning. For emphasis I will quote only two statements from these papers:

"The ADA in commitment to its responsibility for promoting optimal nutritional status of children recognizes the urgent need for adequate food and nutrition services in all day-care centers."

"Legislation to establish an operating framework, program standards and authorization for appropriations needs to be continually updated to implement comprehensive child nutrition programs."

The provisions in S. 850 that would expand nutritional benefits in day-care facilities to qualifying family day-care centers of fewer than 12 children and to some 420,000 children in orphanages, homes for the mentally retarded, homes for the handicapped and those enrolled in other than "regular" schools should do much to enhance the nutritional status of these children. Provision of adequate technical assistance to plan for the management and nutritional adequacy of this program must be assured for the facilities.

---

[4] Letter to Senators McGovern and Percy with copies to: Marlow Cook, Robert Dole, Henry Bellmon, Richard Schweiker, and Robert Taft, Jr., Dec. 1973.

[5] Position Paper: Nutrition Education for the Public.

The members of The American Dietetic Association believe that the achievement of comprehensive child nutrition programs will require reordering of certain priorities.[*] The child nutrition program must focus on meeting the child's nutritional, physical, psychological and social needs through food, while serving as a vehicle for the child's learning about such interrelationships.

Enactment and funding of S. 850 should do much to meet these needs.

We will be happy to answer any questions which the members of the Committee may have for us. I thank you for your courtesy in permitting us to make this statement this morning.

Senator LEAHY. Gordon Erickson, Stanley Feldman and Peter Petersen, who, I understand, are under the gun by airplane schedules.

STATEMENT OF STANLEY O. FELDMAN, PRESIDENT, RUECKERT MEATS CO., ST. LOUIS, MO., REPRESENTING THE NATIONAL ASSOCIATION OF MEAT PURVEYORS

Mr. FELDMAN. I am Stanley Feldman. This is Gordon Erickson and Peter Petersen.

Senator LEAHY. Mr. Feldman is president of Rueckert Meats Co. of St. Louis, Mo., and he will be leading off. Go ahead, Mr. Feldman.

Mr. FELDMAN. Mr. Chairman, I will make my remarks brief because of time, and I would hope that my prepared testimony would be a part of the record.

Senator LEAHY. Without objection, so ordered.

Mr. FELDMAN. First of all, I would like to applaud the remarks this morning of both Senators McGovern and Dole. Both noted how important the nutrition programs are to the Nation's schoolchildren. Senator Dole pointed to the need to take a realistic look at the budget, and in one case this morning he asked several witnesses if they knew of any way to maintain the present program and yet cut costs.

Mr. Chairman, I am here to show how substantial moneys can be saved within the present level of Government spending on behalf of the school lunch program. I am talking about millions of dollars.

I am also here to reaffirm that the Federal school lunch program not only is appreciated, but is absolutely vital. One of the economic myths behind Federal Government commodity purchasing for school lunches is that dollars are saved by purchases of massive quantities of meat. Dollars are not saved; in fact, millions of dollars expended in addition to initial purchase costs make the program more expensive. Let me tell you why this is so.

Government bids include only the initial freezing of beef. The initial delivery costs are not included. The tab begins to run when the refrigerator rail cars run from the purchase points to the States. The meat's first destination may be some central place in the State or perhaps a regional center. Once there, the frozen meat must be delivered from the rail cars to a commercial freezer facility or directed to a school freezer.

In addition to delivery costs, there are handling and storage costs. It then takes more cash to distribute the frozen meat from the storage sites to the school. In many cases, bulk ground beef is simply not functional for the schools. It needs to be processed, that is thawed, made into patties, and precooked, and then delivered to the local school or returned to the freezer for later distribution.

---

[*] Position Paper: Child Nutrition Programs.

Let me show you this verbalized picture in graphic form.

In dollars and cents what is the ultimate cost of a pound of beef procured through commodity purchasing? For your easy viewing, I have attached a reproduction chart to the copy of my testimony before you.[1] The chart compares the cost of commodity purchased beef to the equivalent cost as purchased locally.

There are three categories in which ground beef normally reaches the majority of our schools: bulk, raw patties, and broiled patties. The chart shows the computation for ground beef patties. In other words, it is bulk ground beef which has been thawed, made into patties, but not yet cooked. The index used is schools in southeast Michigan. Gentlemen, we picked this particular district because it is typical of a normal urban area, and because it is not unduly far from the point of purchase.

The initial cost of the commodity-purchased ground beef at this period was 57.99 cents per pound. This is the base price and what would seem at first look to be a bargain. Beyond the initial cost we have freight costs to southeast Michigan from the point of purchase of 1.06 cents per pound. Once the commodity ground beef has made it to southeast Michigan, it has to be carried to the local freezer at another cent-an-a-half a pound. Storage costs are 0.99 cents per pound. Pickup and processing charges to take the bulk ground beef, thaw it, and make it into patties, and deliver it to the individual schools has an average cost of 22 cents per pound. With 5 percent defrosting and processing shrinkage, costing 2.90 cents per pound, we have a total cost of ground beef in raw patties made from commodity beef of 86.44 cents per pound.

The market price of comparable quality ground beef patties delivered to individual schools through a major supplier in the southeast Michigan area would have been 68.25 cents per pound. That is 68.25 cents per pound if purchased fresh and locally as compared to 86.44 cents per pound purchased nationally, frozen, shipped, stored, thawed, reworked, frozen again, shipped again, thawed again, and quite possibly as much as 10 months later with what nutrition and taste it has left, plopped on the tray of an unenthusiastic school child.

Total purchases under the regular commodity beef purchasing program from July 3, 1974, to February 5, 1975, were 134,134,000 pounds. The costs become staggering when we note that with every cent saved, $1,341,340 could be saved. If our ground beef patty situation in southeast Michigan were the exact rule of thumb nationwide then from July 3, 1974, to February 5, 1975, almost $25 million would have been saved had beef purchasing taken place on a local level rather than through national commodity purchasing.

On the next chart, Mr. Chairman, we see the other two categories of ground beef purchased under the commodity program, bulk ground beef and broiled patties.[2] Again, the increased costs are apparent. Ground beef without further processing if purchased locally could save about 6 cents per pound, and precooked patties show savings of about 27 cents per pound.

---

[1] See p. 134.
[2] See p. 135.

Earlier, I said my remarks are limited to commodity purchases of meat only. Other commodity purchases do not overwhelm the school dietitian or food service manager the way meat purchases do. Other commodities, peanut butter, for example, come in manageable forms. All one needs is a trusty can opener in most instances. Sophisticated and expensive storage equipment is not necessary. Outside processing is not necessary. Meat is the commodity that presents complications. Other commodities like canned fruit do not. These other commodities present neither the complications nor the added costs.

Ground beef in whatever frozen form it comes to the school must have special storage facilities and special thawing facilities. Ground beef should be thawed in a cooler, and this type of space is in very short supply. What is taking place every day in schools all over the land is thawing of ground beef at room temperatures. Also, considerable amounts of ground beef are not utilized prior to the school's closing and must be held until fall.

Other folks at the local level also are frustrated by the commodity beef program. The small meat purveyor has practically been eliminated from participating in this program. His frustrations are twofold: one, he is still called on by the local school cafeteria supervisor to supply fill-in items the school may occasionally need. Often the items are ordered in such minimal quantities the local purveyor loses money in supplying them. He does so anyway because he has to face the school supervisor on the street, in church, or at the next Kiwanis meeting, and only because at a future time the supervisor may call with a profitable order, and the meat purveyor, already badly hurt by the commodity purchase program cannot afford to lose further business.

The small businessman purveyor also is frustrated with the cycle that places him in an economic vise. In the best of free enterprise traditions, he works and competes to make money, and he pays his share of taxes. Yet part of those taxes goes to a commodity beef-purchasing program which costs far more than is necessary to accomplish the job, deprives him of business, and awards it to a few large companies.

Many small processors have been hurt tremendously by the loss of business and many jobs have been eliminated. It is difficult enough in these times to be competitive in the marketplace, but to compete against free is impossible.

The commodity beef purchasing program started 40 years ago. In those days it was a workable way to support a distressed cattle market. The substantial commodity beef purchases made this year had very little effect on today's gigantic cattle market.

Let us look at what has happened to the program intended to support a sagging beef market. The next chart shows a chronology of beef prices as the USDA was awarding contracts for frozen ground beef.[3]

The full line figure on the graph shows the decline in contract price in cents per pound of frozen ground beef. Despite Government purchasing, you will see by the dotted line on the graph that during this period of July 1974, through February 1975, Government commodity beef purchasing was not successful in turning around the declining meat prices. We should have never expected that it would, for these purchases did nothing for demand. They only altered the sources of supply.

---

[3] See p. 137.

Senator Leahy. Mr. Feldman, the Economic Research Service of the USDA in their report in a comparison of the USDA and the school system cost—are you familiar with this?

Mr. Feldman. Yes, we are.

Senator Leahy. They state basically that the smaller schools pay more than USDA, and that overall the USDA program costs less. Their figures are that the cost to the largest school system were 0.3 percent higher than the cost for USDA-supplied commodities. The costs to the smaller school systems were 18.4 percent higher, and the average cost to all school systems was 7.2 percent higher for the school systems to buy than for USDA to buy.

They indicate—I am just looking over their figures—it would appear that just about the one area where there is not any savings is in ground beef, and then very, very slightly. Question No. 1 is can we change the whole program to eliminate the ground beef; and No. 2, would you accept their figures which would appear to put their costs a lot closer than the examples that you have used from southeastern Michigan?

Mr. Feldman. Well, Senator, for one thing they are comparing bulk ground beef for bulk ground beef. They have not gone into the area of reprocessing into patties, or reprocessing into cooked patties. We have found this year in selling to many school districts and having contact with many school districts that many of them are sending the ground beef that they get from the Government out and having it be processed, and that study does not show anything about the reprocessing phase costs.

For example, the high school that wants to serve a hamburger patty sandwich cannot possibly use bulk ground beef and take 2,000 or 3,000 students and have people make hand-pattied hamburgers.

Senator Leahy. Is sending it out a very prevalent practice?

Mr. Feldman. Yes, it is.

Senator Leahy. What percent, would you say, send it out?

Mr. Feldman. I do not know exactly what percent.

STATEMENT OF GORDON ERICKSON, PRESIDENT, GRILL MEATS, SANDUSKY, OHIO

Mr. Erickson. A substantial amount.

Senator Leahy. About 30 percent, 50 percent, 60 percent?

Mr. Erickson. Somewhere in that area.

Senator Leahy. Which one of those areas?

Mr. Erickson. I would have to say 30 to 60 because it varies greatly by a lot of factors, but there are tremendously large quantities of it that are reprocessed before it can be used.

Senator Leahy. So an accurate restatement is that you feel that the USDA study was not complete enough? It did not compare enough of the right factors?

Mr. Feldman. That is right.

STATEMENT OF PETER H. PETERSEN, WASHINGTON REPRESENTATIVE, NATIONAL ASSOCIATION OF MEAT PURVEYORS

Mr. Petersen. Could I add to that? They talk about the cents per pound that they spend. They do not talk about the number of people that are involved in that program, which I think was estimated last year to be 650 people at a cost of $10 million.

So actually the cost of procurement does not at that price include anything but just the price they pay. It does not include that part of it that costs money.

Senator Leahy. I am advised by the staff that the overall assumptions in the USDA study factored these in or compared these various factors.

Mr. Feldman. Well, we discussed this with the USDA, and they stated to us that they thought the urban areas could buy their meat a little bit cheaper locally, and the rural areas would have to pay considerably more.

Now, as a businessman who sells to rural areas—I operate out of St. Louis, and we cover about four States and sell to the smaller school districts that exist in any of these four States—I can assure you that the competition is very keen, no matter how small a school is, and they can buy right in any area, and I just think that there has been some difficulty in including all of the possible ramifications of this program as it is ultimately used by the schools.

Senator Leahy. Mr. Feldman, if we have some further questions in comparison between your own experience and that of the USDA study that we develop later as a result of these hearings, would you have any objection to us sending them on for your comments?

Mr. Feldman. Absolutely. I would be happy to answer them.

Senator Leahy. Fine.

Mr. Feldman. I might just refer to this report of the Commission on Government Procurement, volume III, which the Government paid an awful lot of money to get, and on page 54, I believe it is, takes all of these other costs into consideration that perhaps the USDA is eliminating or missing a few. I do not want to say that their report is inaccurate. I say maybe it is not quite complete.

Senator Leahy. Well, no. Feel free to state it as you see it, Mr. Feldman.

Mr. Feldman. Thank you.

Senator Leahy. Do I understand, Mr. Petersen, that you also wish to testify?

Mr. Petersen. No, we are just backing Stanley up.

Senator Leahy. I am not trying to rush you. I simply have been given notice that we may be voting on a controversial judgeship this afternoon and may possibly get into one of the questions regarding Vietnam. If that happens, I suspect that I and the other Senators will be gone, so if there are other things that you would like to add——

Mr. Feldman. I would like to make one other point, Senator, if you do not mind.

Senator Leahy. Certainly.

Mr. Feldman. I want to tell you that we are not coming here griping about the program. I want you to understand that clearly. We do have some suggestions. As an alternative, we are suggesting some sort of a meat voucher program, either direct money in lieu of commodities, or even better than that, a meat voucher program so that it could be geared for meat alone and not for other commodity items.

The problems that I have found existing as I talk to the school people around our various States is that they are afraid that coupons or moneys will not go directly to the individual school district. I was happy to find out this morning in Ms. George's testimony that the 10 cents was earmarked for each participating student in each school, and that the moneys did go directly to the schools. If you are able to do it in Kansas, I do not know why it cannot be done in other States. She seemed to be happy with the program. It certainly would help the small businessman in the various States, particularly in the perishable areas, where we would like to gear our remarks to.

Senator **Leahy**. Thank you.

Mr. **Feldman**. Thank you very much.

[The prepared statement of Mr. Feldman follows:]

STATEMENT OF STANLEY O. FELDMAN, PRESIDENT, RUECKERT MEATS CO., ST. LOUIS, MO., REPRESENTING THE NATIONAL ASSOCIATION OF MEAT PURVEYORS

Good Morning, Mr. Chairman: I am Stanley Feldman, the President of the Rueckert Meat Company of St. Louis, and here today representing the National Association of Meat Purveyors. Accompanying me are two other past presidents of the Association, Gordon A. Erickson, President of Grill Meats, Inc. of Sandusky, Ohio, and Peter H. Petersen, the Association's Washington Representative. NAMP is the only national organization that concerns itself exclusively with the interests and advancement of the meat purveying branch of the meat industry. We are over 400 strong nationwide and we specialize in supplying meats and other food items to the food service industry—to the preparer of meals like those in the school lunch program.

Mr. Chairman, I have an understandable allegiance to these small businessmen and their cause, and I come before you to describe their frustrations in working with what is clearly a necessary and vital federal program. However, broader reasons than the problems of my industry bring me to this Subcommittee. Mr. Chairman, every day across the United States, I and my fellow members come into contact with the men and women who have the responsibility of producing meals for school children, some of them our own. They rely on us to provide some necessities. We are aware of the day-to-day problems they face in trying to put out lunches the children will eat, like, and find nutritious and at the same time the problems they face in coping with the administrative and costly burden of well-meaning federal assistance. The people in charge of the cafeterias live in our communities, know our children and our wives and are never reticent to tell us about the things that annoy them.

In other words, Mr. Chairman, I am not here simply on behalf of a limited constituency but because of an issue which affects every school district in the country and about which I have every opportunity to be thoroughly familiar.

I am here to reaffirm that the federal school lunch program not only is appreciated but is absolutely vital. I am here also to suggest a way that program can become even more successful while simultaneously saving the federal government as well as the local school districts substantial monies. A reduction in food waste—a side effect of no little consequence in these times also would result. For all these reasons I am delighted to give you my comments on S 850—the National School Lunch and Child Nutrition Act Amendments of 1975.

Mr. Chairman, I will describe for you today the impact of the commodity meat buying program. Secondly, we will recommend alternative systems to that program.

One of the economic myths behind federal government commodity purchasing for school lunches is that dollars are saved by purchases of massive quantities of meat. Dollars are not saved; in fact the millions of dollars expended in addition to initial purchase costs make the program more expensive. Let me tell you why this is so.

Simple purchases and initial delivery costs are only the first entries on the balance sheet. When all the costs are added, commodity purchasing of meat and meat products results in higher costs, costs that can be cut. Mr. Chairman, I am talking solely about commodity purchases of meat—there are other commodity purchases which should remain status quo, not only because they are essential, but because they do not have the extra cost problems which beset commodity purchases of meat. I will elaborate this point later in my remarks.

What happens when meats are purchased under the federal commodity program? There are initial costs in the commodity purchase, and at this first step, without looking too hard at the immense administrative costs to the federal government, the purchase appears to be a bargain. Disregarded or unseen costs usually begin to run immediately after the federal machinery has moved and completed the commodity purchase.

There are many stops along the way from the carload lot purchase to the hamburger patty on the school child's plate and what may have started out an apparent bargain becomes shockingly overpriced.

Government bids include only the initial freezing of beef. The initial delivery costs are not included; the tab begins to run when the refrigerated rail cars head from the purchase point to the states. The meat's first destination may be some central place in the state or perhaps a regional center. Once there, the frozen meat must be delivered from the rail cars to a commercial storage facility. It is unusual for the meat to go directly to a school freezer. In addition to delivery costs, there are handling and storage costs. It then takes more cash to distribute the frozen meat from the storage sites to the school. In many cases bulk ground beef is not functional for the schools. It needs to be processed: thawed, made into patties, and pre-cooked—and then delivered to the local school or returned to the freezer for later distribution.

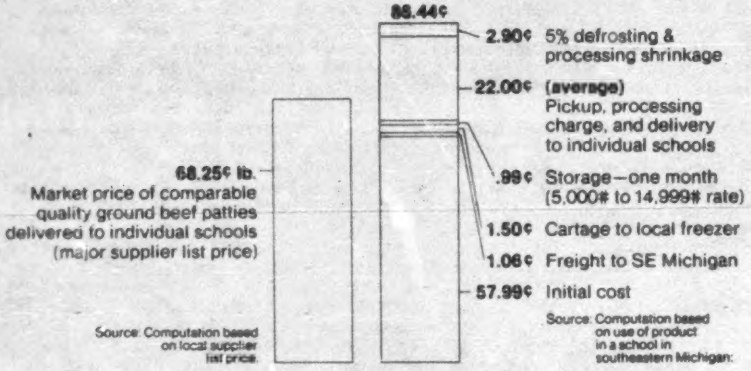
The process seems so sterile in analysis, Mr. Chairman, but think of your summer cookouts and imagine preparing and cooking hamburgers for 20,000 friends. Then you almost can imagine the dilemma confronting the local school cafeteria supervisor who receives bulk frozen ground beef and must thaw it, make it into patties, cook them, and serve 20,000 children. Processing before reaching the cafeteria quite often is the only way the school supervisor can handle the beef. So processing costs must be added to the total cost picture of the commodity beef purchase program.

The final costs are those incurred at the school. Schools have to store the processed meat, often refrozen after processing, so that freezer facilities are necessary as are refrigerated facilities for proper and safe thawing.

Depending on the states storage set-up and the needs of the school at the local level, the initial federal government purchase costs are only a beginning. To this cost the commodity purchase of beef confronts at least one and usually several layers of transportation and delivery costs, storage and handling costs, distribution costs, and processing costs. Overall and attending each layer are administrative costs to the states.

Let us show you this verbalized picture in graphic form. In dollars and cents what is the ultimate cost of a pound of beef produced through commodity purchasing? For your easy viewing I have attached a reproduction chart to the copy of my testimony before you.

Ground Beef Patties



Source: Computation based on local supplier list price.

Source: Computation based on use of product in a school in southeastern Michigan.

Hidden Costs

Calculations do not include:

1. Cost of operating federal commodity meat buying program.
2. Waste and additional labor in using bulk commodities in the schools.
3. Voluminous recordkeeping and reports required by government in accounting for commodities.

The chart compares the cost of commodity-purchased beef to equivalent cost if purchased locally. There are three categories in which ground beef reaches the majority of our schools: bulk, raw patties, and broiled patties. The chart shows the computation for ground beef patties, in other words, it is bulk ground beef which has been thawed, made into patties but not yet cooked. The index used is schools in southeast Michigan. Gentlemen, we pick this particular district because it is typical of a normal urban area and because it is not unduly far from the point of purchase.

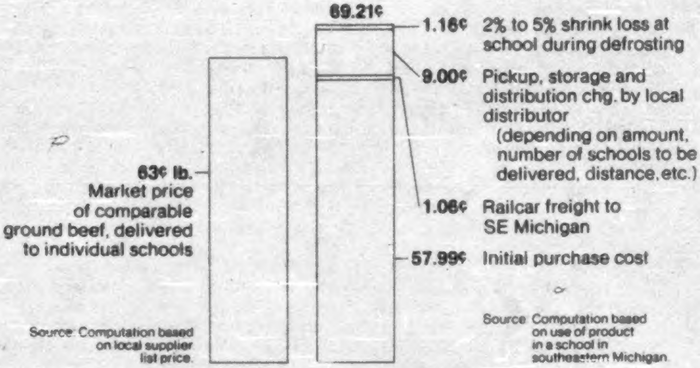
The initial cost of the commodity-purchased ground beef at this period was 57.99 cents per pound. This is the base price and what would seem at first look to be a bargain. Beyond the inital cost we have freight costs to southeast Michigan from the point of purchase of 1.06 cents per pound. Once the commodity ground beef has made it to southeast Michigan it has to be carried to the local freezer at a charge of 1.50 cents per pound. Storage costs are .99 cents per pound. Pickup and processing charges to take the bulk ground beef, thaw it, make it into patties, and deliver it to the individual schools has an average cost of 22 cents per pound. With 5% defrosting and processing shrinkage, costing 2.90 cents per pound we have a total cost of ground beef in raw patties made from commodity beef of 86.44 cents per pound.

The market price of comparable quality ground beef patties delivered to individual schools through a major supplier in the southeast Michigan area would have been 68.25 cents per pound. That is 68.25 cents per pound if purchased fresh and locally as compared to 86.44 cents per pound purchased nationally, frozen, shipped, stored, thawed, reworked, frozen again, shipped again, thawed again and quite possibly as much as ten months later with what nutrition and taste it has left, plopped on the tray of an unenthusiastic school child.

Total purchases under the regular commodity beef purchasing program from July 3, 1974 to February 5, 1975 were 134,134,000 pounds. The costs become staggering when we note that with every cent saved $1,341,340.00 could be saved. If our ground beef patty situation in southeast Michigan were the exact rule of thumb nationwide then from July 3, 1974 to February 5, 1975, $24,398,974.00 would have been saved had beef purchasing taken place on a local level rather than through national commodity purchasing.

On the next chart, Mr. Chairman, we see the other two categories of ground beef purchased under the commodity program, bulk ground beef and broiled patties. Again the increased costs are apparent.

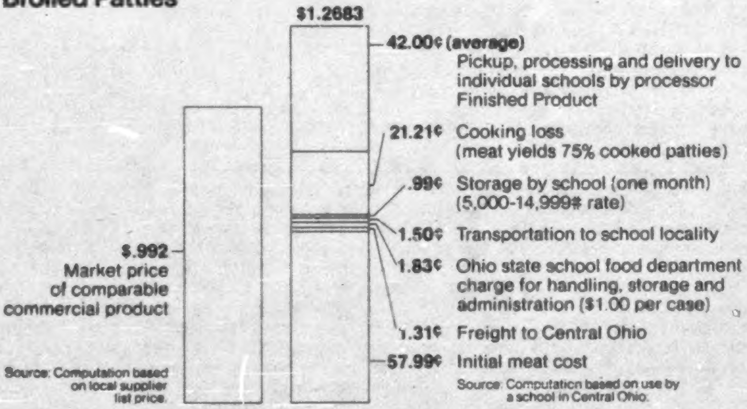
Bulk Ground Beef



Source: Computation based on local supplier list price.

Source: Computation based on use of product in a school in southeastern Michigan.

Broiled Patties



Source: Computation based on local supplier list price.

Source: Computation based on use by a school in Central Ohio.

Hidden Costs

Calculations do not include:

1. Cost of operating federal commodity meat buying program.
2. Waste and additional labor in using bulk commodities in the schools.
3. Voluminous recordkeeping and reports required by government in accounting for commodities.

The economies of commodity beef purchasing warrant change in the program. But more than economy demands some change in this program, Mr. Chairman.

In the school cafeterias across the country, precooked patties and raw patties are generally used for hamburger sandwiches. It is difficult and in many school districts impossible for school dietitians and food service managers to handle the ground beef unless given to a processor for rework. This usually means thawing and refreezing the meat.

Earlier I said my remarks are limited to commodity purchases of meat only. Other commodity purchases do not overwhelm the school dietitian or food service manager the way meat purchases do. Other commodities, peanut butter for example, come in manageable forms—all one needs is a trusty can opener in most instances. Sophisticated and expensive storage equipment is not necessary. Outside processing is not necessary. Meat is the commodity that presents complications. Other commodities like canned fruit do not. These other commodities present neither the complications nor the added costs.

Ground beef in whatever frozen form it comes to the school must have special storage facilities thawing facilities. Ground beef should be thawed in a cooler and this type of space is in very short supply. What is taking place every day in schools over the land is thawing of ground beef at room temperature.

Children have another problem with what is on their plates. Commodity purchasing forces school dietitians to serve the same items too often over too long a period of time which creates student dissatisfaction over school lunches. In other words, even with a well-done hamburger the child can get a raw deal.

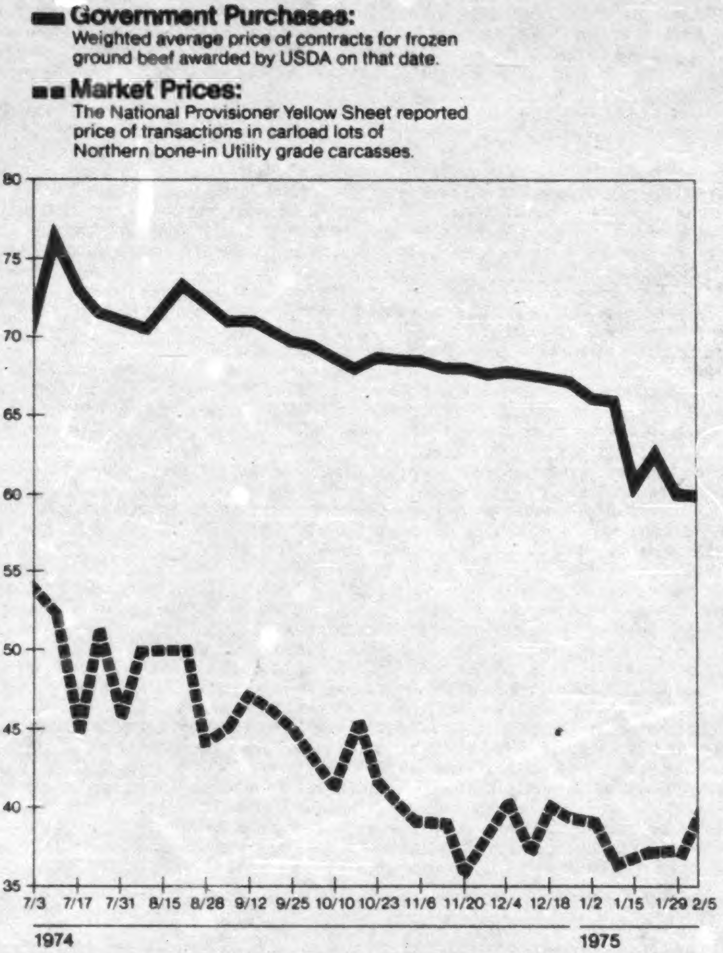
Commodity purchasing is further frustrating for the school food service manager because the timing and quantities of donated beef shipments are uncertain, so the schools have planning difficulty. Often the amount of meat received exceeds the school's needs and some leftovers are wasted. In addition although federal and state offices complete their allocation of product prior to the end of the school year, considerable amounts of ground beef are not utilized prior to school closing and must be held until fall. Besides excessive storage cost, the quality deteriorates.

Other folks at the local level also are frustrated by the commodity beef program. The small businessman has practically been eliminated from participating in this program. His frustrations are twofold—(1) he is still called on by the local school cafeteria supervisor to supply fill in items the school may occasionally need. Often the items are ordered in such minimal quantities the local purveyor loses money in supplying them. He does so anyway because he has to face the supervisor on the street, in church, or at the next Kiwanis meeting, and because at a future time the supervisor may call with a profitable order, and the purveyor, already badly hurt by the commodity purchase program cannot afford to lose further business.

The small businessman purveyor also is frustrated with the cycle that places him in an economic vise. In the best of free enterprise traditions he works and competes to make money, and pays his share of taxes. Yet part of those taxes goes to a commodity beef-purchasing program which costs far more than is necessary to accomplish the job, deprives him of business, and awards it to a few large companies.

Many small processors have been hurt tremendously by the loss of business and many jobs have been eliminated. It is difficult enough in these times to be competitive in the market place but to compete against free is impossible. These small business people have a stake in their local school systems and can do a cheaper and more efficient job of supplying perishable meat items to schools in their trade area than that resulting from the commodity program.

The commodity beef purchasing program started 40 years ago. In those days it was a workable way to support a distressed cattle market. The substantial commodity beef purchases made this year had very little effect on today's gigantic cattle market. Let's look at what has happened to the program intended to support a sagging beef market. The next chart shows a chronology of beef prices as the USDA was awarding contracts for frozen ground beef.



The full line figure on the graph shows the decline in contract price in cents per pound of frozen ground beef. Despite government purchasing you will see by the dotted line on the graph during this period of July, 1974 thru February, 1975, government commodity beef purchasing was not successful in turning around the declining meat prices. We should have never expected that it would, for these purchases did nothing for demand, they only altered the sources of supply. Thus, Mr. Chairman, the commodity beef purchasing program not only has been a blow to the small businessmen in the meat business but has not produced a concurrent brighter picture for the meat market overall.

Beyond the problems I have just mentioned I think it only fair to ask why the school districts are not complaining about the beef that the government is giving them. The answer lies in a simple adage—"don't bite the hand that feeds you." The people who bear the burden of preparing meals for our children are appreciative of government assistance and certainly do not want any criticism of the commodity beef program to result in any federal curtailment of the assistance available to them. I think we can all easily understand that position. We are certain that if assured of equivalent funds they will certainly take the funds.

NAMP comes here today not with gripes alone, but with some suggestions. We recommend as an alternative to commodity purchasing of beef some vehicle of direct money grants or meat vouchers—some vehicle which would put the purchasing power and responsibilities directly in the hands of the local school districts.

What would be gained by such alternatives? I already have mentioned that for every penny shaved from the costs after the initial purchase price, almost one and a half million dollars would be saved. With direct money grants or some coupon system costs begin to decline immediately. It certainly is much easier and cheaper to transport food vouchers than carloads of frozen meat.

Delivery costs to the states and delivery and storage costs upon arrival would be eliminated. Administrative costs presently incurred from the time the beef arrives in the state to the moment it is served in the local school cafeteria would be reduced substantially.

It is clear from the bar charts we reviewed earlier that millions can be saved every year were school districts allowed to purchase beef at the local level. Without federal assistance this would be impossible, so school districts have put up with the frustrations the commodity program has produced.

Beyond the money saved there would be other advantages. Since one or more thawing and refreezing stages could be eliminated, buying from the local market would give the dietitian a fresher, more nutritional and more flavorful product and the children a more tasty meal. Long term storing of beef would be unnecessary, and the dietitian could plan a variety of meals unrestricted by the single form of ground beef available through commodity purchasing. Waste would be eliminated if purchases occurred at the local level as the schools would only buy what was required when it was required. Delivery of orders could take place daily if desirable, eliminating the need for costly storage and thawing facilities at the local schools and improving sanitation of the product.

With the local school making its own purchases the small businessman would have an opportunity with other local competition to provide meat. Obviously that would help us with more business, Mr. Chairman. We do not think that is unreasonable. As already mentioned, we work daily with the local school districts now. We believe we can give them a quality product with better service, and at a cheaper price. We have every good incentive to do so—the competition at the local level is lively, the desire to live in a better community is apparent, and the responsibility of feeding our own children is a heavy one.

Mr. Chairman, Gentlemen. In behalf of the National Association of Meat Purveyors I have suggested the commodity purchase program as it pertains to meat be changed to affect many economies and improvements of quality and service.

Our statistical information and technological knowledge are at the disposal of you and the staff of your Subcommittee as am I and my colleagues with me. If we can be helpful in drafting legislative language to implement our proposals, that will be a continuation of the pleasure you have given us by your attention and interest. Thank you.

Senator Leahy. Next we have Ms. Greenwood and Ms. Harvey.

Ms. Greenwood is the national project director for Children's Residential Institutions, and Ms. Harvey is the WIC advocacy project director of The Children's Foundation.

We are very happy to have you here. I note, Ms. Greenwood, that you have a statement for the record, and Ms. Harvey, you do also. Please proceed.

STATEMENT OF LLEWELLYN GREENWOOD, NATIONAL PROJECT DIRECTOR, CHILDREN'S RESIDENTIAL INSTITUTIONS PROJECT, THE CHILDREN'S FOUNDATION

Ms. Greenwood. Thank you. My name is Llewellyn Greenwood, director of a nationwide project for The Children's Foundation, funded in part by the American Legion Child Welfare Foundation to determine the Federal food assistance needs of children in residential institutions.

We have just completed an 18-month national study and analysis of these needs. The results of our findings are in our report, "Whose Children," portions of which I would like to have entered in the record, if I may.*

Senator **Leahy**. Yes, we could have portions of it in the record, and while the whole book will not be in the record, it will be available here at the committee.

Ms. **Greenwood**. Today, I would like to testify in support of that portion of S. 850 which includes children's residential institutions in the National School Lunch Act and to suggest that they ought to be included in section 4(a) of the Child Nutrition Act as well.

This is the first time in the history of the child nutrition legislation that sympathetic legislators have taken a first step toward assuring that the nutritional well-being of institutionalized children is as protected as that of other needy American children. May I commend the members of the subcommittee for your efforts on their behalf.

Now we need to go the additional step to see that these benefits for institutionalized children are retained in whatever final form the child nutrition legislation may take, for a number of reasons.

Currently, there are 240,000 children who live in residential child-care facilities—in orphanages, homes for the mentally and physically handicapped, and juvenile detention centers, among others. Senator, there are 25 such facilities in your State of Vermont, and 11 of those, or 44 percent, responded to our national survey.

The problems facing these institutions grow more critical each day with the rising cost of food as the most severe problem. This year the actual cost of institutional food service is on the average 24 cents more per child daily than the budgeted amount for food. In a facility for 100 children, that 24 cents means over $8,000 annually, and facilities operating on bare bones budgets can scarcely absorb such an amount.

States and other funding sources hard-pressed for money have not been able or willing to legislate ample funds to meet rising food costs. For instance, the Division of Youth Services in Colorado is budgeted, by the State, at $1.56 per child for food daily. Yet $1.92 per child daily must be spent for meals. Therefore, the division which is responsible for 600 adjudicated children, must somehow absorb 36 cents per child—over $78,840 annually.

Alabama has a similar problem. The Alabama Boys Industrial School operates in the red at a rate of 54 cents per child daily, while the tricounty juvenile facility in Scottsboro, Ala., reports a $1.05 per child daily difference in funds budgeted for food and funds expended for food.

An Arizona-operated institution for the mentally retarded reported that they are budgeted $1.65 per child daily, but they spend 74 cents more per day to provide adequate nutrition.

This year in Maine for the first time the commissioner of the Maine Department of Mental Health and Correction sought supplemental funds for food. To date, they have not received it. Funding for private, nonprofit institutions is inadequate as well. Those dependent upon State cost-of-care contracts respond as did an orphanage in Georgia: "While half of our children are referred by the State, the

---

*See p. 142.

State is not able to pay more than half the total cost of their care." Other private facilities look to United Funds or United Ways. However, community support is at an all-time low. Our national survey points out that community donations defray monthly food costs by only 4 percent.

Add to this the Ford administration call to terminate appropriations for the commodity distribution to institutions program and the results approach crisis proportions. This astounding move if approved by the Congress, will end the only Federal food assistance currently available to residential institutions of all types; 71.7 percent of more than 1,000 institutions responding to our survey currently participate in that commodity distribution program, and despite the decrease in distributed commodities during fiscal year 1975, an overwhelming 86 percent of participating institutions reported that they need that program badly and hope that it will continue. Commodities account for an average of 8.5 percent of an institution's total food costs annually.

Finally, residential child-caring institutions are excluded from participation under the wide range of present child nutrition programs. This is due both to the specific language of the legislation and to the exclusionary regulations on the Federal and State levels. Comparatively few institutionalized children who do benefit from current child nutrition programs generally live in community-based facilities or State schools. Even at that, only 36 percent of the institutionalized children who attend school eat a free school lunch. Only a handful eat the school breakfast. That leaves the majority of eligible institutionalized children who attend school paying for their meals, to say nothing of the thousands who, because of severe handicaps or special conditions, are unable to attend a school at all.

Juvenile detention centers exemplify how exclusionary Federal law and regulations for the school lunch program cut participation among institutionalized children. With the exception of my home State of Mississippi, States have compulsory attendance laws requiring detention centers, among others, to provide accredited schooling, yet such facilities are not, by definition eligible as schools for participation in the National School Lunch or Child Nutrition Acts. An exception that we found was DeKalb County (Georgia) Detention Center. This facility currently has State approval to receive both school lunch commodities and cash reimbursement for meals served for its 40 children. The director, A. J. Williams, pointed out that since children there receive these benefits when they attend the county public schools, eligibility should not change just because a child moves from one county school into another.

We absolutely agree. However, most Federal and State officials do not.

The many external problems which currently jeopardize food services for institutionalized children have resulted in some critical cutbacks. Money earmarked for rehabilitation programs, additional staff, and expansion of present programs has been juggled into food budgets instead. Staff have been laid off, additional hiring frozen, and expansion of programs stopped. Second helpings have been cut back. Additional food has been cut out, and Kool Aid and other nonnutritive drinks are being served as cheaper substitutes. Meat extenders have been added to meat dishes. Fresh fruits and vegetables are served less frequently. Nutritious snacks have been decreased, and starchy foods are becoming commonplace.

Many children in residential care can ill afford such second-rate nutrition because of their health and physical condition. For instance, the multiple handicapped or the severely mentally retarded children, unable to properly exercise, cannot maintain their health on a primarily starch diet. For many more deprived, neglected, and abused children, ample food means simply that someone cares.

Therefore, the Children's Foundation makes the folowing recommendations to the subcommittee:

1. Children in residential care at least should be protected under the National School Lunch and Child Nutrition Acts.

2. If legislation should pass including children's residential institutions under the National School Lunch and Child Nutrition Acts, States should be required to maintain the full amount of cash assistance they currently provide to these institutions.

3. Appropriations for fiscal year 1976 should be increased by 10 percent over the $16.7 million appropriation last year for commodity distribution to institutions.

4. The Department of Agriculture should modify its present interpretation of the laws governing commodity assistance to institutions to correct the "hand-me-down" and "catch-as-catch-can" characteristics of the program.

5. The Department of Agriculture should modify policy which prohibits institutions with a USDA-supported school food program from receiving regular institution commodities for dinner, weekend and summer meals.

6. The Department of Agriculture should immediately review its eligibility policies to include certain residential facilities for such USDA programs as WIC and the commodity supplemental food.

7. The Department of Agriculture should provide outreach services and explanations of all Federal food assistance programs to administrators of residential child-care institutions.

8. National nutrition standards should be developed by the Department of Agriculture as a prerequisite to participation in any Federal food program for children in residential care, just as a type A meal protects the nutritional well-being of the school child.

9. Children in residential care who attend community schools should, under no circumstances, be singled out as recipients of free or reduced price lunches.

I wish to thank you, Senator, for the time allowed to me and to reiterate that it is a societal responsibility to insure that institutionalized children receive a balanced diet. Should institutions be forced to carve out decent and nutritious meals under the prevailing economic circumstances with no Federal food assistance, they will fail and their children will suffer.

Thank you.

Senator LEAHY. Did you have anything that you would like to add to any of the testimony you have heard here today, or is there any further statement you would like to make?

Ms. GREENWOOD. No.

[The following material was referred to on p. 139.]

I.

If a composite were to be drawn of the "average child" in a residential child-caring facility, that child would be a boy between the ages of seven and eighteen in a private, non-profit facility for predelinquents or delinquents housing from five to thirty other such children. He would like in the Midwest and attend public school in his community.

The concept of residential care has changed appreciably during the last five years. Yet despite the investigations and law suits, juvenile justice reform efforts, deinstitutionalization, and the trend toward smaller, community-based facilities, there has been very little emphasis on nutrition-related issues. As food costs spiral and community donations drop, how are meals affected? As states become derelict in their licensing procedures and reviews, what avenues for abuse open up? As payment for "cost of care" contracts go unpaid, what kind of food is being served and how is it prepared until payment arrives? The Children's Foundation project to study good assistance needs of children in residential care is the first of its kind. During the course of the project information gathered through the area coordinators and on-site visits by staff was supplemented with a questionnaire sent to the 4,293 residential child-caring facilities known to us. Subjects covered in-depth on the questionnaire were food services (where children ate, who planned the menus using what criteria, how many meals children ate and what portions were served), per meal cost figures, and federal food assistance program participation—if any.

Of the 4,239 child-caring institutions, 1,057 responses from the 1,146 received were tabulated. The size of responding facilities ranged from group homes with five children to correctional facilities with over 1,000 children. Respondents represented 69,171 children currently living in facilities with a total residential population of 79,923.

A geographical distribution of all institutions for children known to The Children's Foundation and their percentage of response follows:

Region	Residential child-care institutions surveyed	Residential child-care institutions responding	Percentage of responses
Far West	827	217	26
Mountain States	673	161	24
Midwest	1,064	310	29
Southeast	666	212	32
Northeast (including: Virgin Islands and Puerto Rico)	1,009	244	24
Miscellaneous		2	
Total	4,239	1,146	
Average percentage of response			27

FOOD SERVICES

The desire to create this type of atmosphere prevails among survey respondents. Meals are served "family style", i.e., from the table by 63.8% of the facilities, while another 23% served their children cafeteria style. The most popular place in which to eat remains the central dining area, where 70% of the meals are served. Yet 20.3% of the responding facilities—particularly the larger ones—now prepare and serve meals in the cottages or decentralized dining areas. Most institutions agree that the smaller dining arrangements are more personal and therefore more desirable. Special exceptions are made for bedridden or severely handicapped children served in their rooms from a meal cart.

A surprising 66.7% of responding institutions allow children therein the freedom to eat away from the institution biweekly. Among the times when meals are taken outside the institution are: weekends with families and friends, during school (lunch), field trips, church suppers, and summer programs. The majority of the 66.7% of the facilities reported that the children for whom they care combine two, three and often four of the opportunities to eat away. Since the 32.3% not allowed to eat out biweekly corresponds closely to the sum of profoundly retarded children and those held in "secure" facilities (i.e., detention centers and correctional institutions for juvenile offenders), one would assume by the statistics that unless a child is non-ambulatory or locked up, he has the same freedom to eat away from home as his peers living in families. But countless interviews proved this an incorrect assumption. Director after director made it clear to The Children's Foundation that when the children eat away they either take along food from the institution kitchen or don't eat; there are virtually no funds available for eating away from the institution. Moreover, restaurants which once offered free meals to the children on special occasions—birthdays and holidays—no longer offer them. Directors blame the cutback of free meals on the high cost of food. Thus, our investigations show that although 66.7% of child-caring facilities offer their children the freedom to eat away from home, in fact, the children rarely eat food prepared any where else.

Institutionalized children are therefore captive consumers, eating what the institution prepares or not eating at all. Their problem is further magnified by the fact that barely 15% of the surveyed institutions employ or use the consultative services of a nutritionist or a dietician in menu planning. The composite of a person preparing the meals in a child-caring institution is a cook employed full time who looks to menus on file in the institution for criteria in planning the menus.

"The RDA is the accepted standard for menu planning. If only 10% of the respondents used this measure, I would encourage them to use the consultative services of a registered nutritionist. Even four hours a week would upgrade delivery. Every state and many counties have a position for a nutritionist. State and county operated facilities receive services free; the average fee for paying facilities is $10.00 an hour. Cost may be a drawback."

ELAINE BLYLER,
Society for Nutrition Education.

In one Southern detention center, the county jailer whips up the meals for the detained children and wheels the warm meals across the street on a meal cart from the jail. Another respondent noted that the jailer's wife did all the cooking "and it's very good homecooked food, too".

The typical facility serves the children a set plate, but 44% of the children are limited in their servings. Second helpings are denied to many of them. "They can eat seconds," many respondents told The Children's Foundation, "but not unless there's enough for everybody to have seconds." Although 77% of the respondents serve milk at each meal, 20% do not allow second servings.

On paper, the food service situation in children's residential institutions does not appear critical. Yet when asked if the food services had represented a change from one or two years ago, 80% responded that there had been changes for the worse. For instance, some institutions that once served milk at every meal have cut back to two servings daily. Others that still serve milk thrice daily are no longer able to serve seconds. Still others have had to add meat extenders to dishes to cut back drastically on the servings of beef and pork. Fresh vegetables and fruits are served less frequently. Snacks and desserts in many facilities have been decreased and in some cases eliminated on certain days of the week.

When food service deteriorates, it is the institutionalized child who suffers. He remains the captive consumer, unable to go out for meals, eat at a neighbor's house, or pick up a snack at a local store.

COST FIGURES

We are a home for unwed mothers. We have tried to keep costs down by charging only $8.00 per day. Because of this, each year we still go in the red $65,000. Now that we are not getting commodities, we are really suffering financially. The United Appeal pays us only $30,000 of the $365,000 budget.

Letter to The Children's Foundation, Signed by entire staff of The Home of Redeeming Love, Oklahoma City, Oklahoma

What does it cost to feed an institutionalized child? Figures vary tremendously, depending upon the age of the child and the size and type of the institution in which the child resides. A teenager will eat more than a four-year-old; a young woman who is pregnant requires more protein-rich food than one who is not. In a facility for severely retarded children whose food is pureed, food costs are lower than they are in a facility for children able to swallow whole foods. When there is less access to the kitchen, costs are lower. For instance, it costs less to feed bedridden children served a set plate in their rooms from a meal cart three times a day than it does to feed children who can have a number of servings at the table and can raid the refrigerator at will. The larger the population of an institution, the lower the average cost of meals per day. A group home in which adjudicated boys, ages 13 to 17 reside is most likely to have the highest of any per day food figures. Figures supplied through the survey and averaged by The Children's Foundation are as follows:

Actual cost per child per day

Meal:	
Breakfast	$0.57
Lunch	.71
Dinner	.94
Snack(s)	.31

Instead of breaking down figures into figures for each meal, many more respondents gave only a total per day figure since they were budgeted per day and not per meal. Consequently, the total cost of meals per day represents more respondents in the average—the figure is $2.12 and not the sum of the above figures, $2.52. Institutions report that they spend an average of $0.24 more than they are budgeted per child per day.

As stated earlier, costs vary with the size of population. The smaller the institution, unfortunately, the higher the cost of meals.

Average cost of meals

Capacity of facility:	
1 to 30	$2.40
31 to 100	2.04
101 and over	1.04

Raw food costs for the responding institutions ranged from $40 to $83,572 per month, averaging $3,878.75 monthly. Adding other expenses generally included in a total food cost—expendable supplies, maintenance and purchase of kitchen equipment, and the institution's share of school lunch costs—the average cost increased to $4,360.25 per month.

Of the 1,057 respondents, 778 told The Children's Foundation that the amount they quoted for a monthly "total food cost" was 15% higher than the same figure one year ago. Only 47 of the 1,057 said that their figure was lower than last year; it was lower they noted, only because they were serving fewer children.

Forty-six percent of child-caring institutions have some outside food source. Unfortunately, these donations only defray monthly food costs by 4%. Five hundred and one of the survey respondents reported that they have no source of food outside their budgeted amounts. Of the other 556 who do have outside food, the following is a source breakdown:

71.4% receive USDA donated commodities;
3.4% receive produce from a state or county farm;
29.0% receive gifts of food from area farmers and merchants;
22.0% grow produce in gardens on the grounds;
14.7% receive food donations from community sources;
8.9% receive meals or canned foods from churches.

Respondents with outside food sources received donations per month averaging $150, although the most frequent response was $50. This amount, of course, assigns a money value to USDA donables as well as to other sources.

FEDERAL FOOD ASSISTANCE PROGRAM PARTICIPATION

No federal food assistance program has yet been legislated specifically for children in residential care. Yet a sprinkling manage to appear in the participation figures, despite the complication of eligibility facing them.

An amendment to the Food Stamp Act opened eligibility to any persons participating in a private, non-profit drug or alcohol rehabilitation program, either as a resident or a non-resident. Those in care are allowed to pay for a hot meal with their food stamps. Despite the number of facilities caring for children with drug-related problems, none of the children in responding facilities currently receive food stamps.

Children in residential care, do—in isolated instances—participate in programs under the National School Lunch Act and Child Nutrition Act. (Problems preventing full participation are explained on pages 32–4.) Only 2.5% of respondents have children currently participating in the Special Food Service Program (Section 13). A meager 1.3% have children currently participating in the Summer Feeding Program. A heartening 49.3% have children currently participating in either the Special Milk Program (Section 3) or receiving a federally-subsidized school lunch. Data gathered, however, indicate that most of those children pay a full or reduced price for their meal at school. Of the 51,643 institutionalized children currently attending school, only 18,773 (36%) eat at school free.

Judging by the responses from surveyed institutions, the reasons for nonparticipation in the School Lunch Program vary:

Children are not eligible—10.7%;
We do not know if the children are eligible—14.4%;
Children eat lunch at the institution, not at school—14.1%;
Institution does not participate in any federal programs—13.9%;
Children attend a school which does not participate—24.6%;
Children attend a school which cannot participate—18.6%.

Whatever the reasons, participation remains low and probably will not significantly increase under the National School Lunch Act as it is now designed.

Further, 25% of the children in child-caring facilities cannot attend school and consequently cannot look to the child nutrition legislation for any benefits. It is indicative of the desperate need for alternative food sources that 63% of the respondents not participating in the National School Lunch Program requested that The Children's Foundation supply them with information about participation.

III.

Problems Facing Food Services

COMMUNITIES AND STATES SHIRK SUPPORTIVE ROLES

The belief, rising out of turn-of-the-century zeal, that religious and charitable organizations can tend to the orphaned and ill among us is for all practical purposes a myth in the 1970's. Just as it is mythical to assume that because a child is a ward, he or she is adequately provided for by the state or county.

Currently, 64% of the residential child-caring institutions in this country are private; 36% are public. Of the responding institutions, the breakdown within public and private categories was as follows:

	Percent
Public 392:	
Federal	3
State	62
County/parish	33
Municipal	2
Total	100
Private 665:	
Secular, nonprofit	62
Religious	36
Other	2
Total	100

Private institutions traditionally looked to the community for support in feeding and clothing the children in their care. Costs were met through "charity"—donations of clothing, money, and food from concerned community people; tithing of the church members; gifts of food from area farmers, grocers, and merchants; annual benefits and bazaars. Yet such assistance wanes in times like these when community people, faced with a spiraling economy, provide for their own families first. Now, churches rarely tithe for their charitable institutions; gifts of food and meals are drying up; attendance at charity bazaars and socials decreases annually; United Funds, by increasing recipients on their lists, decrease the amount given to each. An example is the Good Shepherd Home in Hot Springs, Arkansas, cut by the local United Fund from $5,000 to $2,000 in 1974.

Those institutions which rely on state and county support are in the same desperate straits; in some ways their situation is more critical. Since the majority of children in public institutions are delinquent or severely retarded, few people generate the concern for them that they do for the orphaned and neglected majority in private care.

Since community contributions and state support are insufficient, institutions have met food costs in a number of ways, some of them bizarre to the casual observer. Larger institutions have begun to buy wholesale in bulk; smaller ones consolidate with others so that as a group they can take advantage of wholesale prices. In Guilford County, North Carolina, the county farm garden supplies enough pork, beef, vegetables, and fruits to defray food costs at the detention home, the home for mentally retarded across the street and the county farm down the road. In Alaska and Washington, Game and Wildlife wardens "donate" all moose and fish confiscated from poachers to institutions. In Texas, community-minded cattlemen in the North Central area donated their livestock to institutions instead of shooting them last year to protest market prices. Other market-harried Texas cattlemen ask $200 and then allowed institution directors to enter the pasture and shoot the cow of their choosing to haul away for food. Hunting camps are becoming popular in rural western areas in which youngsters from area children's homes are taught to handle a gun and are taken out during the season for a weekend. Whatever they kill is taken to their institution for food. In South Carolina, one director depends on "nothing save the will of the Lord" to provide his wards with adequate food. "We all pray for food at the table and then I get in the truck and drive around. People fill up the truck in the name of the Lord. It hasn't failed yet," he told The Children's Foundation.

Despite it all, no amount of resourcefulness can compensate for the ever-increasing food problems now facing institutions. Since January, 1975, food costs have risen 24% and are expected to rise another 15% before December.

When a child who is a ward of the state is placed in residential care, the state in theory assumes financial responsibility for the child. Yet the most common problem in meeting higher food costs has been the recalcitrance on the part of the state to assume full—and not merely partial—payment for the cost of care. Group home counselors in District of Columbia group homes have paid from their own pockets when the notoriously sluggish Department of Human Resources has taken several months to process cost-of-care contracts. The director of a Georgia home for children writes that "while we serve the children of the state, and more than half of ours are referred to us by Georgia Family and Children Services, the state is not able to pay much more than half of the total cost of their care. In many cases, we receive much less than even half. . . ."

"Reimbursement from the state is based on 'Per Capita Expenditures' per agency. If you spend much, you get a higher rate. [We are] allowed for 1974 for food costs $37.81 per child per month, and our costs are averaging for 1974 $49.00 per child per month. The second quarter of 1974 will reflect a much higher food cost as we have noticed at least a 10% mark-up alone in many items."

Director, Home for Children, Seattle, Washington.

As long as states and counties remain insensitive to the cost of providing ample care for their wards, institutionalized children will continue to be fed but not fed well.

FOOD COSTS MORE THAN BUDGETS ALLOW

"Help", noted one respondent in the cost portion of The Children's Foundation survey, and he meant it. In many facilities food costs are the second highest budget item, behind salaries. Nearly every facility visited by The Children's Foundation rated food costs as rising faster than any other budget item, having increased by more than thirty percent since 1972.

Food costs have unfortunately exceeded amounts allocated to institutions by their funding source. Using figures from our survey, we determined that, averaged, the actual amount spent on food was $0.24 per day higher than the budgeted amount.

Cost per child per day

Meal:	*Actual cost*	*Budgeted cost*
Breakfast	$0.57	$0.54
Lunch	.71	.64
Dinner	.94	.78
Snack(s)	.31	.26
Total	2.53	2.22
Average total	2.12	1.88

In an institution serving 50 children, $0.24 per child per day represents $360 per month, or $4,320 per year—a figure few institutions are capable of absorbing.

Although the question was subjective and not statistically valid, The Children's Foundation asked what respondents considered an "ideal" amount to spend on meals per child per day. Their responses, averaged, were $0.58 more than the budgeted amount.

DISTINCTIONS IN PRESENT FEDERAL FOOD PROGRAMS CUTS MAXIMUM PARTICIPATION

Only in isolated instances may children in residential care take advantage of programs under the National School Lunch and Child Nutrition Acts. Usually they must go outside their facility to participate—to a community school or day care center—because the population of residential institutions *as an entity*, i.e., the institution itself, has been specifically excluded by definitions and exclusionary regulations. For instance, the Special Food Service Program (section 13) defines an eligible institution as "a private, nonprofit institution or a public institution . . . which provides day care or other child care *where children are not maintained in residence*. . . The term 'service institution' includes a school or other private, nonprofit institution or public institution that develops a special summer program, and includes a private, nonprofit institution or a public institution providing day care services for handicapped children."

The only residential institutions eligible to participate in the SFSP known to us are those which operate a day care center for handicapped children on the grounds.

Regulations governing the school lunch program are another stumbling block. Although a child-care institution is compelled by state compulsory attendance laws (except in Mississippi) to provide accredited schooling for their children, particularly in detention and correctional facilities, they are NOT by definition eligible as schools for participation in the National School Lunch Program.

Of the 69,171 children currently in responding facilities, 51,463 of them attend classes. Yet only 18,773 (36%) eat free lunches at school. This is due in part to USDA guidelines such as this:

> Public and private nonprofit institutions with their own schools or public and nonprofit private schools attended by institutionalized children, may claim special assistance on meals served to such institutionalized children if the following conditions are met: (1) the institution requires or expects the family to provide funds for the support of the child, and (2) the family meets the approved family-size income criteria for free and reduced price meals.
>
> If, on the other hand, the institution does not require or expect the family to provide funds for the support of the child, the institution or the school attended by the child may claim only Section 4 on lunches served to that child, and "all breakfast" reimbursement on breakfasts served to that child.

Then states interpret differently the USDA regulations concerning recipients of school food services. USDA defines a school as "an educational unit of high school grade or under, operating under public or non-profit private ownership". California interprets this to mean that any institution which operates a school on its grounds is entitled to school food services for children attending the school. This is the broadest interpretation. Most states grant school status to institutions that operate primarily as schools. By changing their names from "State Schools" to take advantage of Law Enforcement Agency Administration (LEAA) rehabilitation funds, many youth correctional facilities found themselves primarily correctional and thus ineligible for the school foods they had served for years. A juvenile detention center in southern Louisiana receives the full range of commodities allowed a "commodity only" school because, as the director of food services told The Foundation, "those children go to our public or parochial schools. If they get in trouble they are the same school children. Why shouldn't they get the same food?"

In some states, the legislature has further restricted USDA regulations. Washington law, for instance, permits the State Department of Education to administer school food services only in public schools. This law has forced institutions with schools and private schools to apply directly to the USDA regional office. USDA is none too pleased with the extra work load and does not advertise the possibility.

One sympathetic USDA official in San Francisco told The Foundation it is often the attitudes of the state school lunch director which determine what type of facilities are eligible. And popularity and sympathy should never be determinants.

Even participation of institutions in the only federal food program designed for them is subject to restrictive and exclusionary regulations and state interpretations. Food distribution agencies in Montana, Alabama, and Arizona, among other states, will not recognize as an "institution" any facility in which less than

15 children reside, thereby excluding a number of group homes from the commodity distribution to institutions program.

States like Kentucky and West Virginia completely discontinued their deliveries to residential facilities in remote counties, responding to the clear message from USDA that commodity distribution was on its way out. The supervisor of a detention facility in Appalachia (Kentucky) pointed out that "when they gave food stamps to the needy families [here], the county discontinued the commodity program for everyone. Now the institution gets none."

The end of commodity distribution to "needy families" has meant that a number of participating institutions no longer "receive their due" because counties/states—in a reaction to clear USDA policy during FY 1975—began closing down warehouses and cutting back distribution points. No commodities are distributed in Kansas. In 1969–1970, there were roughly 60 warehouses maintained at county expense, through which commodities for needy families in the 81 Georgia counties were channeled. For years, the commodities earmarked for institutions were also handled through these warehouses. Now, with the end of the family commodity program and no state appropriations for intrastate transportation of commodities to institutions, Georgia facilities must rely on only three freight yard stops quarterly.

Finally, it is of interest that USDA "has exercised administrative latitude in expressing priorities among commodity recipients. Preference is given to families, schools, and other child nutrition programs over institutions."

CONCLUSION

The proposed end of the commodity distribution to institutions program, rising food costs, declining community donations, state and county reluctance to provide ample, flexible cost of care for wards, definitions and regulations of federal food programs designed to minimize participation of institutions and the children inside—circumstances beyond the power of the 400,000 institutionalized children in America to combat. But who will help as their food services decline? Whose children are they? Whose concern is it that they eat well? Their parents are often dead, don't care, or are afraid to cause a stir lest the child be removed from needed care. Community people donate a few dollars and a Christmas turkey but do not want to get involved. Facility staff are generally overworked and underpaid and lack the time and the expertise to act politically on behalf of children in their care. Politicians haven't been aware of their needs.

It is a societal responsibility to ensure that institutionalized children receive a balanced diet, one necessary to physical and emotional well-being—one as ample as that of other American children. Should institutions be forced to carve out decent, nutritious meals under prevailing economic circumstances with no federal assistance, they will fail and their children will suffer.

IV.

RECOMMENDATIONS

A. NATIONAL PROJECT RECOMMENDATIONS

Children in residential care should be protected under the National School Lunch and Child Nutrition Acts.

If legislation should pass including children's residential institutions under the National School Lunch and Child Nutrition Acts, States should be required to maintain the full amount of cash assistance they currently provide to these institutions.

Appropriations for fiscal year 1976 should be increased by 10% over the $16.7 million appropriation last year for commodity distribution to institutions.

The Department of Agriculture should modify its present interpretation of the laws governing commodity assistance to institutions to correct the "hand-me-down" and "catch-as-catch-can" characteristics of the program.

The Department of Agriculture should modify policy which prohibits institutions with a USDA supported school food program from receiving regular institution commodities for dinner, weekend and summer meals.

The Department of Agriculture should immediately review its eligibility policies to include certain residential facilities for such USDA programs as WIC and the commodity supplemental food.

The Department of Agriculture should provide outreach services and explanations of all Federal food assistance programs to administrators of residential child-care institutions.

National nutrition standards should be developed by the Department of Agriculture as a prerequisite to participation in any Federal food program for children in residential care, just as a type A meal protects the nutritional will-being of the school child.

Children in residential care who attend community schools should, under no circumstances, be singled out as recipients of free or reduced price lunches.

B. RECOMMENDATIONS FROM TEXAS PROJECT CONFERENCE

Existing child nutrition legislation should be expanded to include the children of residential facilities in some form of comprehensive USDA food assistance program modeled after current cash and commodity support programs for day institutions. The program should provide reimbursements for three meals a day, plus a snack, seven days a week year round. Equipment money should be made available for kitchen expansions or renovations.

Where the department of public welfare provides a per child payment to Texas facilities for residential care, that payment should reflect the full and current costs of feeding the child.

The Department of Public Welfare should develop and make known the consultative services of State nutritionists they have assured researchers are available.

All facilities should strive to improve and update documentation on the flow of monies through their programs.

Every effort should be made to increase the nutritional awareness of those who actually prepare meals.

C. RECOMMENDATIONS FROM DISTRICT OF COLUMBIA PROJECT CONFERENCE

Existing child nutrition legislation should be expanded to include the children of residential facilities in some form of comprehensive USDA food assistance program modeled after current cash and commodity support program for day institutions. The program should provide reimbursements for three meals a day, plus a snack, seven days a week year round. Equipment money should be made available for kitchen expansions or renovations.

Where the District of Columbia provides a per child payment to district facilities for residential care, that payment should be renegotiated quarterly, reflecting the full and current cost of feeding the child.

Comprehensive nutrition standards should be incorporated in any child care plan approved by the District of Columbia city council.

The District of Columbia school food service office and the USDA should both review their procedural requirements for participation in school lunch and breakfast to correct requirements which may be obstacles for schools on the grounds of residential institutions.

All legitimate public and private licensed nonprofit institutions in the district should be allowed to make use of the school system's wholesale buying operation.

The District's Department of Human Resources should develop standard procedures to meet the emergency food service needs of temporary shelters.

The District's School Food Service Branch should undertake an extensive outreach and technical assistance program to help district institutions make better use of the commodity distribution programs and to assist them in applying for whatever other food assistance programs for which they may be eligible. The appointment of a special liaison officer whose sole duty is to maintain regular contact with the institutions should be considered.

Senator Leahy. Ms. Harvey?

STATEMENT OF STEFAN HARVEY, WIC ADVOCACY DIRECTOR, THE CHILDREN'S FOUNDATION

Ms. Harvey. I am Stefan Harvey and I work for the Children's Foundation, a Washington-based antihunger organization which monitors Federal food assistance programs.

In 1972, we welcomed the passage of legislation establishing a new pilot nutrition program, the special supplemental food program for women, infants and children, referred to as WIC. For nearly 3 years the Children's Foundation has conducted a WIC advocacy project. We have monitored the program and provided technical assistance to local sponsors, interested applicants, and supportive organizations.

The first 3 years of the WIC program have been stormy, but highly successful. As stated in our comprehensive report on WIC "Women and Children, First . . . or Last?" excerpts of which I would like to submit for the record,* the overwhelming feeling about WIC is that it is an extremely effective way to provide needed nutritional supplements to a highly vulnerable group.

Medical professionals, State and local administrators, and many elected officials feel that the program has been successful and ought to be continued and expanded.

Today and Thursday this subcommittee will hear testimony on WIC from individuals from California, Washington, Vermont, North Carolina, Alabama, Georgia, and Florida, and from individuals representing professional organizations concerned with maternal and infant health. These witnesses will speak specifically about State experiences and the medical benefits of this nutrition program. My purpose is simply to give an overview of the program, and to convey to members of this subcommittee some of what has been learned during the initial years of the program.

The responsibility for WIC rests with USDA at the Federal level, with State health departments at the State level, and with public and private nonprofit health facilities and community groups locally. WIC provides protein and iron-rich supplements, milk, eggs, cereal, and juice to low-income pregnant women, new mothers, and children under 4 years old who are at nutritional risk.

Most participants purchase the WIC supplemental foods with vouchers which they redeem at local grocery stores. Some participants pick up the foods at distribution centers, and others receive their foods at home through home delivery systems.

Today there are 335 WIC programs with an authorized caseload of 635,415 individuals. There are programs operating in every State but Virginia and Utah. On April 1, 1975, USDA announced 45 additional grantees which were funded for 3 months of operation. The additional grantees included 85,400 participants, bringing the total authorized caseload to 720,815.

Last June Congress authorized $100 million for the WIC program in fiscal year 1975. In addition, the unspent fiscal year 1974 funds, amounting to approximately $29 million, were to be carried over and allocated during this fiscal year. During fiscal year 1975, USDA has allocated approximately $129 million through the funding of 12 month, 9 month, 7 month, 6 month, as well as 3 month grants. The annualized budget for all grantees totals over $200 million.

WIC has expanded considerably over the past 1½ years and today is an admirable beginning of the campaign needed to curb the effects of malnutrition among mothers and young children. However, it is only a beginning; the need for expadsion is urgent.

---

*The report, "Women and Children, First . . . or Last?" is retained in the Committee files. See p. 151.

The 720,000 mothers, infants, and children currently authorized to participate includes less than 20 percent of the 4.6 million women, infants, and children in this country who are potentially eligible and in need of the benefits of the WIC program.

The WIC program is widespread in some States. For instance, in Arizona and Washington there is a WIC program in every county. In other States, WIC must be expanded. For example, in Mississippi, Georgia, and Alabama there are 28 counties in which more than 50 percent of the population is below the poverty level; WIC presently operates in only 3 of these counties.

It is these counties, and others like them—the poorest in the Nation—that have an urgent need for a supplemental nutrition program. There are 35 programs in California, 29 programs in New York, and 22 programs in Texas. However, there are only nine programs in the four States of Iowa, North Dakota, Oklahoma, and Kansas. Next year is the time not only to continue strengthening the existing programs, but also to creatively and aggressively expand WIC to the areas most in need.

I would like to comment very briefly on changes that are necessary according to people who have been involved with WIC during its pilot phase. My comments are based upon letters and conversations with State and local administrators and responses from them and others to a national survey we conducted in February 1975.

Everyone with whom we have been in contact agrees that WIC ought to be made a national permanent program as proposed by S. 850. The current 10 percent for administrative costs has, in most instances, been insufficient. This ought to be increased, and funding for nutrition education and outreach ought to be provided.

Enabling all participating clinics to include nutrition education will greatly strengthen the program and increase its long-range effectiveness. Money for outreach will insure that all eligible participants in a project area will learn about the availability of WIC.

S. 850 proposes strengthening WIC by increasing the administrative money from 10 percent to 25 percent, and having that money earmarked for nutrition education and outreach as well as the administration of the program. Additional recommendations concerning all facets of WIC are listed on pages 59 through 64 of our report, "Women and Children, First or Last?" Many of them, like expanded eligibility, provisions for startup costs, and flexibility of the food packages would be authorized by the passage of S. 850.

We are hopeful that the Senate Agriculture Committee will favorably review S. 850 and send to the Senate a bill which will continue and strengthen this vital supplemental nutrition program.

Senator Leahy. Thank you very much. Did you have any testimony that you would like to add?

Ms. Harvey. No.

[The following excerpt from the report, "Women and Children, First . . . or Last?" was referred to on p. 150.]

CHAPTER VIII. THE CHILDREN'S FOUNDATION RECOMMENDATIONS

The Children's Foundation has worked closely with the WIC program for nearly three years. From hundreds of visits and consultations with local programs, we have developed a series of recommendations for improving WIC's operations.

When we were requested by the Senate Select Committee on Nutrition and Human Needs to submit legislative recommendations, we prepared the following suggestions. They have been circulated to all local programs, and represent the best advice we have been given by state officials, local sponsors, and participants.

There is a clear public consensus that WIC should be continued on a permanent nationwide basis. Health facilities have proven that a supplemental nutrition program can be administered, and participants have found that the program does make a difference in their health and the health of their children. Renewed legislation and administration of WIC should, however, include these changes:

AUTHORIZATION

Extend the program for four years at a time

This will provide for smoother program operation and continuity, better state planning, and less costly administrative uncertainty.

Increase the funding level rapidly until it is sufficient to serve all those eligible

As of January, 1975, the current annual cost of WIC was just under $200 million. A new authorization for fiscal year 1976 should be at least $300 million.

Apportion the money among States according ot the number of eligibles and the rate of infant mortality

The formula should allow proportionately more funds to go to states where infant mortality is particularly severe either generally or in one segment of the population, for example, where nonwhite infant mortality rates are makedly higher than white rates.

ELIGIBILITY

Clearly label the program preventive as well as remedial

Although this provision is now in the regulations, it should also be explicit in the law. The logic of WIC is to prevent the consequences of malnutrition before they begin.

Adopt the same income eligibility criteria as other child nutrition programs

The present variation among states in determining whether particpants qualify for medical aid, and therefore WIC, should be replaced by a minimum income eligibility standard, with higher standards at state option.

Make the eligibility criteria sufficiently flexible to allow for the special needs of Indians and migrants

The particular problems of Indians who live off reservations and of migrants who move to different areas at different times of year, frequently cause people who are otherwise eligible to be left out of WIC benefits. The program design should explicitly include these populations.

Include women up to one year post partum or after loss of a child

According to the American Public Health Association, "post partum mothers should be covered up to one year after birth or abortion. Low-income mothers are known to show the greatest nutritional depletion after pregnancy. This is true whether they breast feed their infants, abort, or deliver and do not breast feed. Low-income women also show a higher incidence of maternal morbidity and mortality and produce more infants who die or have handicapping conditions". Participation in WIC for a year instead of six weeks would help these women regain adequate nutritional status.

Include children up to the age of six

The great majority of children up to six are without supplemental food assistance. They are too young to be included in any program of child nutrition other than the Special Food Services Program, which reaches only 8.2 percent of low-income children. The Commodity Supplemental Food Program includes children up to age six, and WIC ought to do so as well.

ADMINISTRATIVE COSTS

Double or triple administrative cost allowances

The present 10 percent allowance is not adequate to cover costs. This discourages clinics from applying for WIC and makes it impossible to have a program in many needy areas where there are no health facilities able to absorb the extra overhead.

Add special additional funds for nutrition education and outreach

Nutrition education is vital to the effectiveness of WIC; women must learn why certain foods are important, and become involved in better planning while they are pregnant. Also, a program's capacity for outreach and publicity will determine whether it can reach all eligible participants in its area.

Base administrative reimbursement on the number of participants instead of a percentage of total food costs

As long as the administrative allowance is based on food costs, there will be an incentive to maximize those costs in order to get enough overhead to run the program. The reimbursement should be based on caseloads in the form of a sliding scale which allows more money per person for smaller projects.

Provide start-up costs

Extra funds up to two months' program budget costs should be allowed in addition to the annual budget.

EVALUATION

Redesign the evaluation of WIC to study program effectiveness rather than basic medical research information

The beneficial effects of improved fetal and infant nutrition in preventing death and disability among children is already scientifically established. The greater incidence of malnutrition among poor families is also well known. The WIC program should not be burdened with a primary research component to reconfirm accepted facts. If more detailed and long-range scientific information is desirable, it should not be sponsored by the Department of Agriculture in the guise of a food and nutrition program.

The focus of WIC evaluation should instead be on ways to make nutritious food supplements as effective as possible in achieving the goal of eradicating malnutrition among American children. Evaluation should concentrate on questions such as (a) what combination of foods is both nutritionally effective and acceptable to local participants? (b) how can local sponsors best combine nutrition education with food distribution? (c) how long a period of participation and follow-up is necessary to guarantee significant nutritional results? (d) how can the mutual support of food distribution programs and other health care services be enhanced? (e) what are the relative costs of different kinds of distribution schemes?

The responsibility for such evaluation should rest with state health departments, which can adapt a study to their own priorities and range of programs. Not every clinic should be required to participate in gathering evaluation data. Evaluation funds should be separately designated and sufficient to insure competent professional implementation.

Many health departments will, of course, wish local clinics to keep significant medical records on participants in the WIC program in connection with their general health care service. Heights, weights and measurements are frequently a standard part of prenatal and child care, and should be an important part of patient education. But few clinics have the trained personnel and precise record keeping capacity to participate in a basic scientific research program; to try to extract new and reliable medical knowledge from a broad scale food distribution program is both inefficient and inconclusive.

LOCAL GRANTEE QUALIFICATIONS

Give equal priority to private non-profit groups serving community welfare needs

Applications should not be restricted to clinics. Any group that can find a subcontractor for the health component of WIC should be given full consideration. This would attract programs to areas that are not served by public health clinics and help communities participate more actively in the overall goals of the program.

Make clear that IRS tax-exemption is not a requirement for participation

Although the present legislation does not require tax-exemption, the new legislation should specifically prevent USDA from imposing this unnecessary burden. Any reasonable evidence of non-profit status should be acceptable.

Establish a fair hearing procedure for rejected applicants

Just as participants declared ineligible have a right to a fair hearing process, so should applicant organizations which are turned down.

Require local programs to establish participant advisory councils

Requiring the involvement of those who are eligible, or whose children are eligible, for WIC would increase the program's responsiveness to the people it serves. It would also help participants become more knowledgeable and sophisticated about the conditions of their lives, rather than passive recipients of aid.

Allow WIC to operate in areas where a commodity supplemental food program exists

Although USDA has changed its policy to allow areas to apply for WIC where commodity programs have closed, it generally does not fund WIC applicants from supplemental program areas. Communities should not have to trade one for the other. Areas that want both, and are capable of administering them, ought to have both until all eligible people in the area are served.

STATE AND NATIONAL ADMINISTRATION

Require State agencies to reimburse the expenses of local programs within a maximum of four weeks after receiving a valid request

State delays in reimbursement have made it very difficult to keep local programs operating and have sometimes caused grocers to drop out of the program. States must ensure that local programs receive timely reimbursements.

Require States to inform program administrators and participant advisory committees in writing at least ten working days before policy changes or new policies are to become effective

Adequate consultation beforehand would be ideal, but in any case administrators and participants must be given a chance to consider and react.

Require USDA to inform States in writing at least fifteen working days before proposed policy changes or new policies are to become effective

State directors deserve the same opportunity to share their views with USDA before changes in policy, to be sure that all potential effects are considered.

THE FOOD PACKAGE

Allow changes in the food package to allow for cultural differences

Local nutritionists should have the right to substitute nutritious foods which are more likely to be acceptable, subject to general guidelines.

Allow substitutions in the food package when it is medically necessary

Occasional problems arise with allergies or other medical conditions. For example, it should be possible to substitute soybased formula for children who are allergic to milk. . . .

In summary, The Children's Foundation sees the need for a number of changes in the WIC program, to make it more flexible in its food package, more comprehensive in its coverage of low-income women and children, more imaginative in its encouragement of sponsoring organizations and innovative delivery systems, more realistic in its administrative costs, and more useful in its evaluation. We hope as well that the Department of Agriculture will become a more convinced and effective administrator of WIC.

But our support for the program remains steadfast. We have seen countless children whose lives are being changed by this opportunity for adequate nutrition, we have talked to countless health professionals who have at last an effective means of combatting malnutrition.

We know that WIC already makes a difference; we are convinced that a revised and expanded program will at last begin to defeat the sorrowful and expensive consequences of malnutrition in America.

The real horror of malnutrition is that it is not a rare disease. Malnutrition is a much bigger problem than is leukemia. If we could find ways to stop leukemia altogether in this age group, there would only be a small, or virtually no effect on the world's population. But if we found ways to stop malnutrition, it would have an almost immeasurable effect on the world.

Dr. Donald Pinkel,
Memphis Commercial Appeal, December 27, 1970.

Senator **Leahy**. We have two witnesses left on the agenda, Ms. Olive and Gabriel Stickle. We have one problem; that buzzer means that I have about 7 or 8 minutes to get to the floor for one vote, and there may be further ones after that. I am just concerned that I might not be back here for some considerable period of time.

Ms. Olive, I realize this is putting you very much under the gun. If I can get down there and back in a very few minutes it will make no difference, but just in case I cannot, is there anything that you would like to add, specifically, to your statement?

STATEMENT OF LUCILLE OLIVE, DIRECTOR, SUNUP PROGRAM, NEWARK, N.J.

Ms. **Olive**. No; my statement will be very brief, however.

Senator **Leahy**. OK. The report that was attached to your statement recommends a year-round skeletal staff?

Ms. **Olive**. Yes.

Senator **Leahy**. This could not be done in the context of regular in-school programs?

Ms. **Olive**. No, it cannot. We would need a staff separate from the regular school lunch program to put together a summer feeding program. We have approximately 135,000 eligible children in the city of Newark, and we would need more time to devote to that program, alone, rather the school lunch program.

Senator **Leahy**. I see. So they are not compatible.

Ms. **Olive**. No, they are not.

Senator **Leahy**. Do you have coordination between the summer food programs and the school nutrition program?

Ms. **Olive**. Yes we have, in that we work with the board of education during the summer months to serve meals in the schools.

Senator **Leahy**. Can you share personnel and facilities?

Ms. **Olive**. No, we cannot.

Senator **Leahy**. Because they are just not compatible, or because it is not economically feasible?

Ms. **Olive**. Economically it is not feasible.

Senator **Leahy**. Why is that?

Ms. **Olive**. Well the board of education operates the school lunch programs. We have a summer feeding program. It is a 2-month program and we bring in day care centers, we have camps, we have block clubs, and we have play streets that operate during the summer. These do not operate during the year-round program.

Senator **Leahy**. And the year-round program cannot gear up to handle that in addition to their regular duties?

Ms. **Olive**. No, they cannot. They have their own program during the summer that does not include a citywide feeding program. I also question whether the board of education as an onsite vendor/sponsor would receive the maximum reimbursement. If not, I am doubtful as to whether the amount allocated for administrative costs would be sufficient, as compared to the amount received to manage the school lunch program.

Senator **Leahy**. I see.

All right, go ahead Ms. Olive. Continue with any other statement that you want. We will wait until the final buzzer.

Ms. OLIVE. Thank you.

Mr. Chairman, members of the committee, I am Lucille Olive, testifying as a concerned citizen and parent, as well as the Newark, N.J. summer food program director.

I am deeply grateful for this opportunity to express our concerns in Newark as to the future administration of SuNuP in the years 1975 through 1977.

In 1971, the city of Newark implemented its first summer feeding program for children. We were able to reach approximately 6,000 children per day. The mayor was given notice of 4 days prior to the start of our program as to the availability of funds. This short notice gave us insufficient time to assemble a staff and vendors. As a result, the operation was plagued with poor recordkeeping and accountability.

However, in 1973 the program was audited by the Office of the Inspector General and was cited as being one of the most successful programs run in the summer of 1973. However, in 1973 we in Newark were given more notice as to the availability of sumer food program funds. Not only did we reach six times more children, but more advance notice served as an important factor in the overall success of our program.

Again in 1975 we face the uncertain future of SuNuP. Shall legislation, as it exists, be revised and extended as suggested in the S. 850 bill, or shall the 50 States receive a block grant as proposed by the President?

We in the city of Newark strongly support the first option. Our reasons are these:

Firstly, an extension of the present legislation will insure for Newark and many other cities, the SuNuP program for 2 more years, whereas a block grant would again place SuNuP in an uncertain light and would all but insure its termination.

The continuance of funds for the much needed SuNuP program in the alternative block grant would be left solely to the discretion of the 50 States. Our prediction is that SuNuP would more than likely be relegated to a place of very low priority to other feeding programs, and would thereby be dissolved.

Secondly, the breakfast component and supper component would, in S. 850, be restored. Consequently, the child recipients of SuNuP would not only be receiving one-third of their recommended dietary allowance in a type A lunch pattern, but an even greater proportion of the necessary nutrients for growth and development with the breakfast and supper components.

This should be of great importance to us all, in that many children during the summer months cannot take advantage of the free and reduced-price meals that are available during the school year.

Thirdly, the open-endedness of the McGovern bill extension allows for: "any eligible institution [to] receive the summer food program." This in essence will allow multiethnic and multicultured cities such as Newark to reach more than one program and thereby effectively reach and tailor programs to specific communities within its boundaries.

Fourthly, and of great importance to Newark is line 13b of the bill, which states:

> The Secretary shall publish proposed regulations relating to the implementation of the Summer Food Program by January 1 of each fiscal year, and shall publish final regulations, guidelines, applications and handbooks by March 1 of each fiscal year.

As can be seen in the attached extraction of our 1974 program summary, charts, and recommendations, the delay in the finalization of USDA regulations and funding worked, in the beginning of our program to minimize our reaching the maximum number of eligible children in the city of Newark.

Lastly, with the S. 850 bill there is made mention of an allowance food price adjustment. With the rising cost of food it is very necessary that the SuNuP maximum reimbursement rate reflect these increases. We are not guaranteed these adjustments in the block grant proposal.

Mr. Chairman and members of the commitee, I can not overstress the definite need for a summer feeding program such as SuNuP. The program in it's present form is a viable program, and can be an even better program with the additions of S. 850. Therefore, I urge you to pass the S. 850 amendment to the National School Lunch and Child Nutrition Act to extend the special food service program for children.

Senator LEAHY. Excuse me, Ms. Olive. I am going to have to recess the meeting at this point. I will check on the floor when I go over there; if they are going to have a series of votes, I will call back and we will decide where to go from there.

[The attachments to Ms. Olive's statement follow:]

EXTRACTIONS FROM THE NEWARK 1974 SUNUP FINAL REPORT

PROGRAM SUMMARY

Pre-program timetable

Below, is a timetable of events preceding the opening day of the 45 day operation on July 1, 1974.

February.—Ms. Lucille Olive, project director, submitted the final report of the 1973 operation, and met with the Committee for Human Needs in Washington D.C., to request additional funds for 1974 administrative costs from U.S. Department of Agriculture

March.—Application for participation in SuNuP '74, the proposed budget and a request for funding at a level of $2,643,000.00 was submitted to the U.S.D.A. State Educational Agency in Trenton, N.J.

April.—Preparation of resolution to the Newark Council for a cash outlay of $2,643,000.00

May.—City Council resolution of budget insertion at $2,643,000.00 was presented and accepted.

SuNuP was notified by the U.S.D.A. State Educational Agency that the reimbursement rate of $2,643.000.00 would be unavailable and that Newark reimbursement would only be at a rate of $845,276.52.

City Council decreased proposed initial outlay from $2,643,000.00 to the reimbursable amount of $845,276.52 offered by U.S.D.A.

June.—City was notified that it would be receiving an additional reimbursable amount of $845,276.52 (Total approved outlay of $1,690,553.04)

Bid proposals and menu were prepared by Jenice Rankins, the consulting city nutritionist and advertised by the Division of Central Purchase Newark, N.J. Final bids were received from vendors, (Vendco Vendors, Scotts Caterers, and Daru, Inc.) and contracts were awarded to these vendors.

Training of site supervisors and food service workers.

July.—Summer Nutrition Program began.

CHART I.—TOTAL LUNCHES AND SNACKS SERVED, JULY 1974

	Lunches	Snacks	Total		Lunches	Snacks	Total
July:				July—Con.			
1	28,780	19,210	47,990	17	28,220	25,325	53,545
2	23,905	16,540	40,445	18	29,180	26,695	55,875
3	22,122	17,305	39,427	19	29,152	27,857	57,009
5	15,650	15,245	30,895	22	34,667	25,875	60,542
8	23,810	19,885	43,695	23	37,982	28,280	66,262
9	25,160	21,830	46,990	24	38,215	28,515	66,730
10	26,284	18,830	45,114	25	38,297	28,595	66,892
11	25,565	22,745	48,310	26	37,556	27,890	65,446
12	26,385	22,720	49,105	29	39,427	27,745	67,172
15	25,800	22,520	48,320	30	39,222	29,662	68,884
16	28,030	25,390	53,420	31	40,077	32,395	72,472

CHART II.—TOTAL LUNCHES AND SNACKS SERVED, AUGUST 1974

	Lunches	Snacks	Total		Lunches	Snacks	Total
August:				August—Con.			
1	40,152	32,760	72,912	19	35,092	30,275	65,367
2	54,752	37,725	92,477	20	36,277	31,460	67,737
5	44,641	36,530	81,172	21	35,422	30,695	66,117
6	41,372	34,040	75,412	22	37,062	34,495	71,557
7	40,652	33,460	74,112	23	49,122	35,505	84,627
8	42,821	34,990	77,811	26	46,362	38,665	85,027
9	52,037	37,815	89,852	27	34,052	29,415	63,467
12	47,610	35,370	82,980	28	33,699	29,052	62,751
13	41,958	33,741	75,699	29	33,187	28,590	61,777
14	41,433	33,637	75,070	30	61,372	52,090	113,462
15	40,431	35,401	75,832	31	60,100	52,100	112,200
16	63,688	40,301	103,989				

RECOMMENDATIONS

The most verbalized recommendation by both the SuNup staff and the Ad Hoc Committee was the necessity for a year round skeleton staff. Although SuNup is a short-term project, the fiscal and manpower involvement is voluminous. This operation requires a great deal of preplanning, which could not be maximized in the one week prior preparation afforded the staff this summer. One week was not sufficient to thoroughly train the administering personnel. The delay in initially hiring staff was due to one basic factor. Monies were granted by U.S.D.A. on a reimbursement basis in two delayed increments, thereby necessitating a further delay in the budget appropriation by the City. It is the position of SuNup, that if monies were released to the City by U.S.D.A. as an initial monthly appropriation, rather than on a reimbursement basis the aforementioned problem could be alleviated.

As it was this year, all of the pre-program planning fell upon Ms. Lucille Olive, the project director, and later upon Ms. Jenice Rankins, the consulting nutritionist. Both of these individuals were on staff of the Department of Health and Welfare. Consequently, their duties were divided and neither received remuneration during this period from SuNup.

Listed below are the priority recommendations suggested by the SuNup staff and the Community Ad Hoc Committee.

1. The Newark program should receive an initial month's cash outlay from U.S.D.A. to provide working capital to get the operation under way.
2. A year-round skeleton staff should be employed to work specifically on the pre-planning of the next year's summer program. One of this staff's major functions would be to meet with community representatives to collectively formulate an acceptable menu plan.
3. Include hot lunches within the menu. It is the contention of the project nutritionist that while the cold lunch plan provides the required 33⅓% of the R.D.A., it does not however, allow for the necessary variety to appeal to the age group with which we are dealing. Due to the rising cost of food, the feasibility of hot lunches and even variegated cold lunches is dependent upon a substantial raise in the present maximum reimbursement rate of $0.67 per lunch.
4. Caterers should provide SuNup with a list of prospective distributors with whom they will be dealing. This may eliminate some of the restrictions vendors faced in securing components on the 10-day cycle, such as seasonal fruits.
5. Early employment of staff members would allow for more effective and more efficient program functioning.

6. To provide for more eye appealing meals, food should be wrapped and served in compartmentalized trays.

7. The nutrition education unit transforms SuNup from a "give away" food program to a program that encourages proper eating practices. Therefore, the nutrition education unit should be expanded and emphasized within the program.

Mr. STICKLE. We consider our views with regard to maternal and newborn nutrition sufficiently important to be given adequate time.

Senator LEAHY. I will be glad to give you the time as soon as the vote is over.

Mr. STICKLE. Fine. Thank you. I will wait.

Senator LEAHY. All right, I will be glad to continue as soon as the vote is over.

[A brief recess was taken.]

Senator LEAHY. Our next witness is Gabriel Stickle, Vice President for Program, the National Foundation, March of Dimes.

STATEMENT OF GABRIEL STICKLE, VICE PRESIDENT FOR PROGRAM, THE NATIONAL FOUNDATION, MARCH OF DIMES, WHITE PLAINS, N.Y.

Mr. STICKLE. Mr. Chairman, with your permission, I would like Mr. Clyde E. Shorey, assistant to the president, to join me at the witness table.

I should like to thank you and the committee for the invitation to present our views today.

Senator LEAHY. Feel free to take your full 10 minutes, we are not going to be involved in another vote for at least that amount of time.

Mr. STICKLE. All right.

The National Foundation is a voluntary health organization supported by the contributions of the American people through its more than 2,300 local chapters, manned by tens of thousands of volunteers from all walks of life. Created as The National Foundation for Infantile Paralysis by President Franklin D. Roosevelt in 1938, the Foundation organized and directed the conquest of poliomyelitis. In 1958, it adopted its present mission: to prevent birth defects, to ameliorate their consequences for the victims and their families, and otherwise to improve the outcome of pregnancy. To achieve these objectives, the March of Dimes sponsors programs of research in the basic and clinical sciences, professional education and training, medical and other health care services, public health information and education and volunteer service.

An estimated 7 percent of the live-born in the United States—or more than 200,000 each year—have defects that are evident at birth or can be diagnosed during the first 2 years of life. There are hundreds of different kinds of birth defects, ranging from such well-known conditions as facial clefts and clubfoot to relatively rare and hidden immunologic deficiencies and inborn errors of metabolism. About 20 percent of these defects are associated with specific genetic factors; about an equal number with environmental factors affecting the unborn baby; and the remaining 60 percent result from heredity and environment acting together.

Nearly 8 percent of our newborn—about 245,000 per year weigh 5½ pounds or less. Birth defects are three times as common in these low-weight infants as in larger babies. Birth injuries, often involving brain damage, respiratory distress syndrome, and hyaline membrane disease, occur more frequently in the underweight baby. Nearly half of all infant deaths in the United States are associated with low birth weight, a significantly larger proportion than in several other countries, which may explain in part why 17 other nations have a lower infant mortality rate than the United States.

Low birth weight also is associated with retarded mental development for which the affected families and society at large pay a heavy price. Roberts and Engel, reporting on the examination of a national sample of children aged 6 to 11, found a striking relationship between the children's intelligence scores and their weight at birth. Children who weighed less than 5 pounds at birth had an average I.Q. of 94.6 as compared with 99.6 for children whose birth weight ranged from 5 to 10 pounds. The highest average—101.1—was recorded for children who weighed 7 pounds, 12 ounces to 8 pounds, 13 ounces at birth.

Low birth weight may be due to premature labor, the causes of which are as yet largely unkown, or to retarded fetal growth which usually results either from maternal, placental or fetal abnormalities or from maternal undernutrition. Naeye and his associates at Babies Hospital in New York obtained data from autopsies of stillborn and newborn infants who had died from causes other than those associated with structural defects or maternal complications. The families of these babies were categorized according to weekly income. The dead babies whose families fell below the poverty line, as defined by the Social Security Administration, averaged 94 percent of normal body weight as compared with 109 percent of normal for those whose family earnings exceeded the poverty level. Body length and all organ weights were smaller in infants of poor families. Their thymuses, spleens, livers and adrenal glands were more undergrown than their kidneys, hearts or skeletons. This growth pattern has been repeatedly observed in children and young animals with chronic malnutrition. From these observations, they concluded that "maternal malnutrition during gestation provides the simplest explanation for the undernutrition found in the newborn infants of the poor."

Winick has stated that "an association exists between the amount of weight gained during pregnancy and birth weight" and that "malnutrition retards infant growth producing smaller * * * brains." He states further that "the difference in birth weight between rich and poor accounts for the difference in mortality between rich and poor" and that "feeding a better diet during pregnancy increases maternal weight gain, birth weight and, therefore, should decrease mortality and the incidence of retardation."

There is growing experimental evidence that improving nutrition during pregnancy—even as late as the last trimester—can have a marked effect on birth weight and that maternal weight gain during pregnancy probably is the most important determinant of birth weight. With these findings in mind, the Foundation enthusiastically welcomed the creation of the WIC program, recognizing it as an opportunity to improve the outcome of pregnancy for many thousands of needy pregnant women and to maintain the health of their children. Malnutrition of the mother during pregnancy has greater potential for dealing lasting damage to the child than at any other stage in the child's development. An important byproduct of the WIC program, moreover, is that it has encouraged low-income families to come to health centers so that total maternal and infant care can be provided.

I might add that less than $2 per day can feed an undernourished fetus and thereby avert subnormal brain development. You can spend all you want to feed an undernourished school child, but it cannot undo the mental deficits resulting from poor nutrition during pregnancy. Only a good prenatal diet can do that.

One serious difficulty in food supplementation programs under conditions of poverty, however, is that the food supplement tends to serve as an income supplement: that is, outlays for food tend to be reduced by the dollar value of the supplement, with the savings used for other essential purposes. This means that for the WIC program to succeed in increasing the food intake of pregnant women, there needs to be built into that program an effective educational and motivational component so that program participants realize that the only source of fetal nourishment is their own food intake.

We believe that the voluntary sector, working together with government, can contribute to the achievement of this educational objective. Indeed, The National Foundation-March of Dimes has been cooperating with State and local health departments and with local WIC projects in many parts of the country to this end. We have cosponsored statewide training institutes for the health professionals working in WIC programs in Ohio, Georgia, Texas, and North Carolina. Other such institutes are scheduled in Illinois, Maryland, New York City, South Carolina, and in the New England States. The purposes of these institutes include indoctrination in the scientific basis for nutritional intervention during pregnancy, discussion of techniques for counseling the women being served in the programs, consideration of public education techniques, and discussion of administrative problems and their possible solution.

Local chapters of The National Foundation-March of Dimes have made grants to WIC projects in New York, Michigan, New Hampshire, and Georgia for the salaries of nutritionists and health aides who work with the women being served in the program. More than 100 of our local chapters report that they are furnishing WIC projects with educational materials on maternal nutrition or rendering volunteer service in the clinics which are the site of these projects.

A recent progress report to the Foundation's regional office in Atlanta illustrates the importance of the educational efforts of the nutrition aides who are serving several of the WIC projects in Georgia under a March of Dimes grant. The report states:

> The month of February proved to be a very busy one for the nutrition aides. One hundred and thirty families were contacted. . . . A large portion of the clients started on the WIC program recently in Clarke, as well as the other counties, have been pregnant women. We are trying to reach as many of these as possible in the homes so that we can have a greater opportunity to stress the importance of nutrition throughout the entire pregnancy. Nine group presentations were given in seven health departments during the month. The discussions included normal nutrition and diet in pregnancy . . . Surprisingly, the men attending the talks generally got more involved in asking questions than many of the women did. The men appeared very concerned over the nutritional welfare of their children. The aides believe the clinics offer an excellent setting for teaching nutrition. . . . They feel they are reaching people who need it the most. Many of the clients . . . have little or no exposure to nutrition (education). The aides always stress the importance of diet as a preventive measure.

The administration's budget proposal to consolidate the WIC program next year with other child nutrition programs under a block grant to the States would strike a staggering blow to those served by the WIC program by reducing direct funds, eliminating administrative guidance now coming from the Federal level and leaving implementation entirely in the hands of financially overburdened State governments. The budget proposal would drop pregnant and nursing women over 17 years of age from the program entirely, thereby eliminating the population group in which undernutrition has the gravest consequences.

The National Foundation, therefore, regards with favor the intent of S. 850 to continue, expand and improve the WIC program as a permanent adjunct of maternal and child health. We commend especially the proposed allowance of 25 percent of total project funds for administrative, educational, and outreach activities and the liberalization of administrative allowances for project startup purposes. We also strongly favor the financing of the WIC program out of funds appropriated by section 32 of the act of August 24, 1935. Failure to allow this source of funding would cast doubt on the survival of this component of child nutrition legislation, which in our view is the most critical as far as long term social benefits are concerned.

With regard to the proposed level of funding, we recognize that S. 850 constitutes a significant improvement over the current level of support and over the level proposed in H.R. 4222. Nevertheless, we believe that the total authorization for the WIC program should be increased to $400 million per annum to offset the effects of anticipated increases in the cost of food, to reflect the necessary and realistic administrative, educational, and outreach objectives of the bill and to permit an expansion of the maximum authorized caseload to 800,000. The present program serves a relatively small number of the women, infants and children who are at high nutritional risk. Under the pressure of rising prices for food, health care and other essentials, as well as growing unemployment, the number of individuals who are at such risk can be expected to grow substantially.

Under S. 850, two new advisory boards would be convened by the Secretary. One of these would consider methods of evaluation of the medical benefits of the WIC program. We endorse this provision but call to the committee's attention the omission from the advisory committee of the American College of Obstetricians and Gynecologists which has provided definitive professional leadership in the field of maternal nutrition.

With regard to the proposed National Advisory Council on Maternal, Infant and Fetal Nutrition, we urge that the proposed composition of the Council be amended to include representatives of consumer organizations, as well as representatives of national voluntary health agencies with significant programs of maternal and child nutrition.

It is our view that the special supplemental food program for women, infants and children represents the first significant effort by the Federal Government to improve the quality of life at birth and during early childhood by reinforcing sound advice about maternal and infant nutrition with the food required to make that advice really effective.

This morning, Senator Dole pointed out that all of the witnesses were asking for increased appropriations. Well, The National Foundation does not regard the nutrition of pregnant women, infants and children to be solely the responsibility of Government. On the contrary, we are determined to continue doing our part to make this program more effective through volunteer service and education and through the support of nutritionists, dietitians, and health aides working to inform and motivate those being served.

Senator LEAHY. If the increase in the appropriation is made along the lines you suggested, would your foundation make a proportional increase or do you feel it would be possible for your foundation to decrease its aid because of that additional appropriation?

Mr. STICKLE. Not at all.

We feel that as the program grows in coverage and size, there is an increased need for the private and voluntary sector to support the program to make it more effective from the cost point of view.

We think that the voluntary agencies are uniquely qualified to carry out programs of health education, perhaps more so than the Federal Government.

Senator LEAHY. I tend to agree.

Do you have any other points that you would like to add to your statement?

Mr. STICKLE. No; simply to urge the committee to report promptly and favorably on the provisions of S. 850 relating to the WIC program. We feel that the cost of providing this assistance is modest in comparison with the benefits which accrue, not only to those served directly but to all citizens who bear the infinitely heavier burden of caring for those who suffer the consequences of maternal, fetal, and infant malnutrition.

Senator LEAHY. Fine.

The committee certainly appreciates your taking the time to make your statement.

As I stated before, I apologize that the vote interfered, but I am sure you can understand that when such a vote comes all Senators are required to be on the floor.

We will reconvene Thursday morning at 10 o'clock, and we are in recess until then.

[Whereupon, at 3:45 p.m., the subcommittee recessed, to reconvene at 10 a.m., Thursday, April 24, 1975.]

CHILD NUTRITION PROGRAMS

THURSDAY, APRIL 24, 1975

U.S. SENATE,
SUBCOMMITTEE ON AGRICULTURAL RESEARCH
AND GENERAL LEGISLATION,
OF THE COMMITTEE ON AGRICULTURE AND FORESTRY,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10:10 a.m., in room 324, Russell Senate Office Building, Hon. Dick Clark presiding.

Present: Senators Clark, McGovern, Leahy, Dole, and Young.

STATEMENT OF HON. DICK CLARK, A U.S. SENATOR FROM THE STATE OF IOWA

Senator CLARK. The committee will come to order.

This is the second day of hearings on the child nutrition programs for this subcommittee. There are a number of witnesses to hear from today, so I will keep my remarks very brief.

Over 2 months ago President Ford sent Congress the administration's recommendations for the fiscal year 1976 budget. That budget included a number of proposals which together have received a good deal of attention, and that is what this hearing is all about.

The purpose of these hearings is to focus on one specific proposal, the President's "block grant" budget approach to food assistance for this Nation's children, as well as to review the various legislative proposals that have been introduced in the Senate.

The administration's child nutrition program would consolidate all of the current child nutrition programs, including the school lunch program, the special milk program, the nonfood assistance program, the special supplemental program for women, infants, and children, and the nonschool feeding programs.

As I understand it, the President's program is designed to serve only this Nation's neediest children, excluding many children and infants who now benefit from the various nutrition programs. That approach would create a number of cutbacks, and it would save an estimated $700 million during this fiscal year, according to the President's proposal. The 5 year savings would amount to $4 billion as projected by the administration.

Now, every member of Congress certainly wants to cut back Federal spending, and I believe that we will indeed accomplish that goal. However, Federal spending should not be cut back at the expense of the health and well-being of children, and I—and I believe the majority of this committee—oppose any proposal that will reduce the child nutrition programs.

Each program has proven to be tremendously effective and successful, but that is for this hearing to judge. They have helped make this Nation's children among the healthiest in the world, and because the programs have benefited children from every sector of society, they also have enjoyed a broad base of public support. This committee has seen no empirical evidence to date in our judgment that justifies reducing these programs.

The witnesses today hopefully will be able to tell us what problems confront the child nutrition programs and what we can do about them. We are especially interested in finding out about the special food service program, and we have witnesses here today to talk about that. From all indications, there is a great deal more that can be done to insure that children in day care centers, especially those in rural areas, get an adequate meal. In Iowa, the State that I represent, the statistics show that there are over 2,000 family and day care centers, half of which would benefit from section 13 of S. 850. Most of those are rural, and I think that Iowa would be a fairly typical State. We happen to be in the middle in population, I think, the 25th among the 50 States, and in the middle in area, so I think it would be fairly representative of the rest of the country. That section of Senator McGovern's bill would bring the special food service program for children under the same procedure and requirements that apply in the school lunch and breakfast programs. In effect, this means that these day care centers would receive the same per meal reimbursements and the same per meal amount of commodities provided schools in the school food program. This provision would apply to all nonresidential child care institutions and would help solve one of the most significant inequities in the child nutrition programs.

Finally, I would like to say a word about food, nutrition, and education. It seems that one of the greatest challenges is the development of a comprehensive national nutrition program, and that must include proper education. There is a definite relationship between good health and a good diet, and we should spend more of the nation's resources providing children with both an adequate diet and the necessary educational training to maintain a good diet beyond their high school years. Section 16 of S. 850 includes a special component for nutrition education under the WIC program, and this is a new addition to the nutrition program which I would wholeheartedly support. As the chief sponsor of the Comprehensive School Education Act, S. 544, which tries to address this problem, I would plan to give this area a good deal of my attention in the months ahead, and we will be depending upon many of today's witnesses to give us information about that effort.

I would like at this point to put a statement in the record from Senator John Tunney of California and to include on Mr. Talmadge's behalf a series of letters which he has received relative to this subject.

[The prepared statement of Senator Tunney and the letters to Senator Talmadge follow:]

STATEMENT OF HON. JOHN V. TUNNEY, A U.S. SENATOR FROM THE STATE OF CALIFORNIA

Mr. President, this week the Senate Agriculture Committee is holding hearings on S. 850, the National School Lunch and Child Nutrition Act Amendments of 1975, introduced by my distinguished colleague, Senator McGovern. I am happy to be co-sponsoring this bill which will extend and improve such familiar child nutrition programs as School Breakfast and School Lunch, Summer Feeding, Women and Infant Care (WIC), Day Care and Headstart.

A human being's development, from the womb to maturity, depends upon a nutritious diet. As Dr. Charles Love, Chairman of the Committee on Nutrition of the American Academy of Pediatricians has said, "Hunger and malnutrition . . . result in a general retardation of the mental and physical growth of children. The symptoms are apathy, listlessness, loss of energy and inability to concentrate, slowness in comprehension, inattention, restlessness and behavior problems." This bill furthers the effort to curb the bitter harvest of children suffering from malnutrition in this country. Without this type of effort, we are condemning many of our children to a life denied of its full potential by permanent damage resulting from malnutrition.

Evidence indicates that malnutrition is linked to the retardation of babies. Approximately six percent of the children born to malnourished mothers will be mentally retarded. Thus, there is a definite need to reach pregnant mothers and supplement their diets. Women and Infant Care, known as WIC, provides pregnant and lactating women, infants and children with selected foods to supplement their dietary intakes.

This program, which also includes nutrition education and consumerism, reaches 33,000 women and children in California monthly. One clinic in California which has met with outstanding success with WIC wrote me that "At the local level, we have seen observable changes in the participants, including greater interest in the benefits of nutrition, increased knowledge regarding health care and services, and reduced incidence in anemia, poor diet, and poor growth patterns." Results such as this are proof of the benefits which may accrue from this program.

S. 850 will strengthen WIC. It will become a permanent program with increased administrative funds and provisions for expanding nutrition education. Further, women will be allowed to continue to receive food for six months after birth, as opposed to six weeks, and children will be allowed to participate through the age of five instead of four.

S. 850 also expands and improves the School Lunch program. More children will be eligible to receive free lunches. The reduced price lunch provisions will become mandatory, allowing 3 to 5 million children whose parents earn enough to keep their children out of the free lunch category, but not enough to afford full price lunches, to participate in the program. Stories about the benefits of the school lunch program have been told before, but I think it is important to remember that the only decent meals that too many children in this country receive are the lunches they are able to eat five days a week in their school cafeterias.

The School Breakfast program is also expanded through S. 850. The program feeds approximately 127,500 students monthly in California. A greater effort will be made to inform schools of the program, and they will be encouraged to participate.

The Head Start and Day Care Nutrition Programs will also be improved, and nutrition assistance will be extended to the previously forgotten children in orphanages and mental institutions, reflecting an effort to make all children eligible for the same nutrition benefits.

Hundreds of Californians have written to me in support of the continuation of child nutrition programs. Much of that mail has been in strict opposition to President Ford's block grant proposal which, as presented in the Fiscal 1976 budget, would "provide more funds than are presently available under all existing programs."

I do not know how the gnomes of OMB made their calculations, but the Administration proposal would actually cut California's nutrition programs in half. Perhaps they simply do not like California, but I suspect that all of the other members of this body could point to similar figures for the states they represent.

That proposal is no mistake. It is another step down the path which would place the burden of this country's economic crisis on the backs of those who are already suffering most. We have already thwarted the attempt to increase the price of food stamps, and now we have to fight for adequate nutrition for our children.

As I said earlier, S. 850 makes more students eligible for reduced price lunches. Under the bill, children from a family of four earning $9000 would be eligible for a 20 cent lunch. Under the Ford proposal, the same lunch for children from the same family woud cost 65 cents. For that family of four, over the course of a year, that is $200. Mr. President, we just voted a tax rebate of approximately that amount. Shall we give with one hand and take away with the other?

Unemployment is now at 8.7 percent, the highest monthly rate since 1941. Approximately 3.1 million heads of households are out of work. This is hardly the time to reduce vital nutritional assistance to children from these homes. However, over 350,000 people are currently employed through child nutrition programs. The President's proposal could force as many as 120,000 food service employees, over one-third of those so employed, into unemployment lines. To me, that does not sound like an expanded new program as the Ford rhetoric would lead us to expect.

Recognizing the Administration's proposal for what it is, or rather what it is not, not one of the 535 Members of Congress has introduced Mr. Ford's bill to date. I hope that it will remain in that limbo it so richly deserves.

Meanwhile, I trust that Congress will pass this measure quickly. The children of this nation should not be forced to suffer the ills of a failing economy. If the Congress falters, long after the economy recovers we will face the terrible visage of retarded and ravaged children who will never recover.

STATE OF NORTH DAKOTA—HOUSE CONCURRENT RESOLUTION No. 3042 (MEIERS)

A concurrent resolution urging Congress to provide full funding for the school lunch program

Whereas, a nutritious noon meal is vital to the mental and physical development of the growing youth of America; and

Whereas, for many children, the school lunch program provides their only balanced meal of the day; and

Whereas, the present school lunch program depends upon state or local matching of federal funds; and

Whereas, not all school districts in the country now have or can afford the school lunch program as it is presently funded; and

Whereas, if Congress provided full funding, the school lunch program would be available to all children, regardless of race, color, creed, or ability to pay. Now, therefore, be it

Resolved by the House of Representatives of the State of North Dakota, the Senate concurring therein:

That the Forty-fourth Legislative Assembly strongly urges Congress to require all elementary and secondary schools receiving federal funds of any kind to enter the school lunch program; and

BE IT FURTHER RESOLVED, that Congress provide full funding for the school lunch program so that all children of America may receive a nutritious noon meal; and be it furhter

Resolved, That the Secretary of State forward copies of this resolution to each member of the North Dakota Congressional Delegation.

U.S. SENATE,
Washington, D.C. 20510, April 15, 1975.

The Hon. HERMAN E. TALMADGE,
Chairman, Agriculture Committee
Washington, D.C.

DEAR MR. CHAIRMAN: I am taking the liberty of enclosing a copy of a letter from the Director of Public Health of the city of Bangor, Maine, expressing the strong support of the local agency for the continuation of the WIC program in the forthcoming Child Nutrition Act Amendments.

Because this letter discusses in some detail the administrative costs of the program—an aspect of federal programs which has come under increasing scrutiny in recent years—I wanted to share it with you and the members of the Committee. I would appreciate your giving Mr. Shook's concerns your consideration during the course of the Committee's work on child nutrition programs.

With every good wish, I am

Sincerely,

EDMUND S. MUSKIE,
U.S. Senator.

CITY OF BANGOR, MAINE,
DEPARTMENT OF HEALTH,
April 7, 1975.

Hon. EDMUND S. MUSKIE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MUSKIE: I wish, first of all, to express our thanks for your continuing support of Legislation providing continuation of the U.S.D.A.s Supplemental Feeding Program for Women, Infants and Children (WIC). This program is providing growth-promoting foods for over 1300 women, infants and children in the two Maine WIC programs in Penobscot-Piscataquis and York Counties.

The Penquis Program, operated by this Department in cooperation with Eastern Maine Medical Center and the Penquis Community Action Program, serves over 1000 persons and received approval last week for a maximum client load of 1500.

In terms of cost-effectiveness, I believe it to be one of the best Federally aided health programs.

Although we have found the somewhat unique 10% administrative cost constraint too confining, the fact that a contraint exists, I think, is a step in the right direction, and should be part of other grants programs.

All paperwork, screening, processing referrals and other labor components of the Penobscot-Piscataquis program are handled by 3.5 clerical workers. Virtually all other input is in kind.

Figures assembled by the program staff have demonstrated that among women participating in the program, the incidence of low birth-weight babies is significantly lower than among women not now or not previously on the program from the same socio-economic groups.

We are positive that similar improvements in physical and mental development of the infants and children on the program will be demonstrable when the program has been functioning long enough.

A major bill, S-850, which would insure WIC's continuation, is however, in serious trouble.

Through what we have been advised was a blunder on the part of the House Education and Labor Committee, a provision to fund the bill out of U.S.D.A.'s Section 32 funds was stricken from it. As I understand it, the implications of this are that an appropriations provision will have to be added as an alternative, which, if done in the conventional way, can make the bill politically very unpopular, considerably threatening its chances of passage during a time when spending of new money is being frowned upon by the Administration and much of Congress.

I respectively request that you take whatever action you feel is possible, under the circumstances, to either aid in restoring the Section 32 provision to the Bill, or otherwise do whatever is possible to get this valuable legislation continued. Thank you for all of your considerations.

Sincerely,

WILLIAM M. SH[illegible]K, JR.,
Director of Public Health.

U.S. SENATE,
OFFICE OF THE MAJORITY LEADER,
Washington, D.C., April 11, 1975.

Hon. HERMAN E. TALMADGE,
Chairman, Committee on Agriculture,
U.S. Senate.

DEAR MR. CHAIRMAN: Enclosed is a copy of a letter I have received from the Department of Health and Environmental Sciences in the State of Montana in which they discuss in some detail their support for a continuation of the WIC Program.

I though perhaps this correspondence would be useful in considering an extension of the Supplemental Food Program.

With best personal wishes, I am

Sincerely yours,

MIKE MANSFIELD.

Enclosure.

DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES,
STATE OF MONTANA,
Helena, Mont., March 24, 1975.

Hon. MIKE MANSFIELD,
The U.S. Senate,
Senate Office Building, Washington, D.C.

DEAR MIKE MANSFIELD: The Maternal and Child Health Bureau, myself and other WIC staff and WIC program recipients have become increasingly distressed over the gloomy outlook for Federal refunding of the USDA's WIC program—The Special Supplemental Food program for Pregnant and Nursing Women, Infants and Children.

We are concerned about the effect the loss of this program, which provides nutrition and health care, will have on Montanans. The WIC program is the first food supplementation program that has been tied directly to health care. Not only are the highly nutritious "prescription" foods and health care through WIC, of direct and immediate benefit to low income, undernourished families, but the long-range results of this preventive health program can save Montana taxpayers many dollars.

Scientific studies have shown that lack of protein and vitamins in pregnant women leads to low-birth-weight and premature births. These infants are more likely to suffer mental retardation, birth defects and slow learning problems.

The average cost of care of an institutionalized person is now considered to be more than $100,000 over the person's life-time. Untold thousands are spent to support handicapped people and people who as a result of malnourishment in their infancy, have severely limited learning abilities. These people cannot contribute to our state's economy.

The WIC program has been an incentive for those eligible to receive maternity and well-child care and it has been a vehicle for nutrition education. After initiating the WIC program on the Northern Cheyenne Reservation, attendance at the well-child clinics increased 164% over a 6 month period. Children needing preventive health care and nutrition counseling were finally being seen.

During the past year, the Montana State Department of Health and Environmental Sciences has spent considerable time and effort in establishing a delivery system that would make the WIC program available in the most populated counties and on our seven Indian Reservations. Now that the program has been established, we are told that it may be abolished. The Administration's proposal to grant blocks of money for food to the states, to be used at their discretion, could eliminate the delivery of necessary foods to pregnant women and infants—the segment of our population where this assistance can produce the most long-range benefits.

The proposal that block grants be provided to the states needs careful study before adoption. There is no time for that deliberation between now and June 30, 1975, when the WIC program expires. A break in continuity of the WIC program would cause a considerable waste in funds, time and energy, as well as causing a loss in momentum in nutrition and maternal and child health programs in Montana.

A recession is not the time to cut back on programs which help people, particularly medically risk groups such as women, infants and children.

The WIC program is a real boost to economy. Almost 90% of the total six-month grant of one million dollars is earmarked to purchase highly nutritious foods. That money is spent in Montana Communities.

Please help us save this program which is so vital to Montana's present economy and the future health of her citizens.

Thank you.

Sincerely,

STEVEN KAIRYS, M.D.,
Chief, Bureau of Maternal and Child Health.

RECOMMENDATIONS OF THE WIC SYMPOSIUM

I. RECOMMENDATIONS OF WORKSHOP NO. 1 "WIC PROGRAM FINANCE ISSUES"

A. This workshop finds that the administrative, fiscal and humanitarian concerns arising under the Child Nutrition Act of 1966, as amended, have been largely addressed under the proposed National School Lunch and Child Nutritin Act Amendments of 1975 (S.850 and its counterpart H.R. 4103). This workshop endorses the elements of these amendments with the following exceptions:

1. A member of a low income population should be defined as one who is eligible for free or reduced rate medical care under any federal, state, local, public or private health care service program.

2. The term "pregnant and lactating women" as defined by Section 16, (g) (1) of the proposed National School Lunch and Child Nutrition Act Amendment of 1975 should be amended to include women to one year post-partum and should be further amended by substituting the term "women" for the word "mothers" wherever the latter occurs in said definition.

3. The term "administrative costs" should be amended throughout the text to read "operational costs".

4. All rules and regulations promulgated pursuant to Section 16 of the National School Lunch and Child Nutrition Act Amendments of 1975 should be drafted within sixty days after the passage of this law and should be submitted to the National Advisory Council on Maternal, Infant and Fetal Nutrition, and to the state and local agencies, for review and comment within thirty working days of this date and prior to publication in the Federal Register.

5. Cost-of-living adjustments should be included in the legislation to permit automatic budgetary response to external fiscal pressures caused by inflation.

B. This workshop finds that the United States Department of Agriculture has promulgated rules and regulations for the implementation of the WIC Program that are directly contrary to the intent of Congress and detrimental to the best interests and health needs of the people of the United States, and that, therefore, the Congress should increase its oversight function to insure Departmental compliance and implementation of the will of the legislative branch.

C. This workshop finds that all supplemental applications should be funded for implementation on January 1 or July 1 only. Notification of funding status should be made within six weeks prior to funding.

D. This workshop finds that the states should be permitted flexibility in adjusting the food package supplied to reflect cultural or other dietary differences among the populations served, such adjustments being allowed for at least one-half of the total allotment available to the client.

E. This workshop finds that the Congress should exercise all due speed to enact the necessary legislation to continue the WIC Program to prevent interruption of service to the women, infants and children of this nation.

II. RECOMMENDATIONS OF WORKSHOP NO. 2 "MEDICAL EVALUATION AND ASSESSMENT OF NUTRITIONAL RISK"

A. The WIC Program should remain as a component to a health care delivery system.

B. It is paramount to maintain the highest quality medical records possible within each WIC program.

C. Section 16(f) of S.850 should be revised to read as follows:

"State or local agencies or groups carrying out any program under this section shall maintain adequate medical records for ongoing surveillance of the nutritional assistance provided under this section, for the purpose of assisting Congress in determining the appropriate role and methods of examining the benefits of the nutritional assistance provided under this section. The Secretary shall convene an advisory committee . . .".

III. RECOMMENDATIONS OF WORKSHOP NO. 3 "WIC ELIGIBILITY CRITERIA"

A. This workshop wishes to emphasize its support of the view that the WIC Program is a preventative program first and a remedial program second.

B. With respect to the above statement, this workshop recommends in particular that WIC eligibility shall not be limited to persons who demonstrate or have an actual history of nutritional deficiency.

C. Neither the state agency nor the United States Department of Agriculture shall impose on projects more restrictive eligibility criteria than those stated in the law. An example of such an excessively restrictive eligibility criteria would be that an individual be required to demonstrate a preexisting nutritional deficiency.

D. Benefits under section 16 of the proposed National School Lunch and Child Nutrition Act Amendments of 1975 shall be made available to women one year post partum and for infants up to age six.

E. Change Sec. 16. Section 17 (g) 4 of the proposed National School Lunch and Child Nutrition Act Amendments to read exactly as Section 17(f) 4 of Public Law 92–433. The existing law reads as follows:

"(4) 'Competent professional authority' includes physicians, nutritionists, registered nurses, dietitians, or State or local medically trained health officials, or persons designated by physicians or State or local medically trained health officials as being competent professionally to evaluate nutritional risk."

F. Benefits under Section 16 of the proposed National School Lunch and Child Nutrition Act shall be made available to migrant worker families.

G. WIC program grantees shall provide or contract for prenatal health services.

H. A state/local advisory committee with consumer representation should be established to determine, among other things, the selection of foods of the nutritional supplement for various ethnic groups.

THE WIC SYMPOSIUM

Hunger and malnutrition are both old problems in the United States which in recent months have been exacerbated to the critical stage by a faltering economy. High employment rates like Detroit's core city statistic of 52% go hand in hand with pitiful scenes of mothers begging for beans to feed their children and elderly citizens filching snacks in supermarkets in a battle to survive. Our nation is now faced with the choice between taking action to help hungry Americans feed themselves or not taking action and instead rationalizing our failure to show human concern for humans in need. Will we invest our resources in training programs of urban police departments to quell food riots or will we instead get food into the empty stomaches which fire this desperate violence?

On Thursday and Friday of last week (3/13 and 3/14) in Ann Arbor, Michigan at the University of Michigan's School of Public Health administrators of a supplemental food program for pregnant and nursing women, infants and children (the WIC Program) gathered from around the nation to discuss and formulate an action response to our nation's hunger problem. Reviewing legislative proposals for the future of the WIC Program now being debated before Congress, these administrators made clear their desire to see that a WIC Program is funded which makes sense to both the administrators and the public they serve. [See recommendations attached.]

But, where does this program which now serves the needs of over a half million high risk mothers and their children stand on the Ford Administration list of budgetary priorities? Answer: rock bottom. The budget proposal made by the Administration for fiscal year 1976 allocates no funds specifically intended to continue the WIC Program. Instead, all the Child Nutrition Programs (included here is the School Lunch Program), the Special Milk Program, and the WIC Program are to be funded out of a block grant of $1.7 billion according to Mr. Ford's budget. Under existing legislation the School Lunch Program alone will cost $1.8 billion in FY 1976. This really all amounts to a very simple question of values. Mr. Ford likes the idea of a "turn-around defense budget" even when the cost will be malnourished children and malnourished pregnant women, and most tragically, cases of mental retardation directly attributable to poor diet.

Congress is now taking action to make it clear that the Ford Administration's budgetary priorities need to reflect human needs other than new war toys. Nevertheless, it is true that the American hunger issue gets prime consideration from Congress only when the public demands it. Accordingly, the administrators at the WIC Symposium felt one way public demand could be brought to a focus on Congress was through Senate field hearings on the WIC Program legislative proposals. Those participating in the WIC Symposium hereby formally request that Senator Herman Talmadge (D-Georgia), chairman of the Senate Agriculture and Forestry Committee (the Senate authorizing committee for the WIC legislation) hold field hearings on the WIC proposal S. 850 not later than April 8,

1975. Senator Talmadge has been supportive of this legislation before. We hope he understands that his strong support is needed again if the WIC Program is to meet a need which is growing daily.

Senator DOLE. I made an opening statement yesterday. I think we heard some very good witnesses. We heard the Department witnesses, and we heard about their block grant approach. I asked the basic question: Would the opposition to that program be the same if the funding were increased to take care of the $700 million?

It seems to me everybody is focusing on that rather than the block grant approach. I pointed out that it is rather difficult to focus on the administration's proposal, since we do not have it before us. Hopefully it will be forthcoming, but I do not really see much chance for passage. I plan to introduce today a bill to continue for 1 year all the child nutrition programs under the National School Lunch Act and the Child Nutrition Act of 1966, which I think indicates that there is broad support for the programs in this committee.

I would only caution as I did at the earlier hearings that there are budgetary limits. As a member of the Budget Committee—and I think as every American understands, we are faced with a $60 to $100 billion deficit in fiscal year 1976. It is going to call for some restraint, maybe more input from the States, and maybe other changes, but I do not believe that anyone wishes to see any deterioration of the programs. Maybe we can somehow tighten them up. That is an obligation we have also.

I do not have anything further to add, except that we are pleased to have the witnesses, and I assume with as many as we have that there will have to be some time limit involved.

Senator CLARK. Yes, there will be.

Senator DOLE. We will miss our own lunch.

Senator CLARK. We will have a 10-minute limit and then questions.

I might just say for the benefit of the witnesses—before I turn to Senator Leahy—that we are going to start with a panel of four people who now are at the table; next, we will hear from David Goldberg, and then another panel including Harold Poors, George Robinson, and Philip Hunt; in order, we will then proceed to Rabbi Gorodetsky, Mrs. Nobel, Dr. Allen, Colonel Reiss, and Dan Lynch.

Senator Leahy.

Senator LEAHY. Thank you, Mr. Chairman.

I had the privilege to fill in for the chairman here earlier this week in part of the hearings on this program. I can speak first from a fairly parochial view point, having looked at the program in Vermont, and I have seen how extremely well it is working in Vermont.

The testimony we took the other day, as the chairman knows, showed. I think, a very, very definite need for the program. I simply would like to state that I am one of those Senators who fought in what I hope was a successful effort to enlarge that category of Senators who feel that this program is very definitely needed.

Senator CLARK. Good. Thank you.

Now, the first panel we are going to hear from is a panel of four who are here at the table, Mrs. Charlotte Wilen, Georgia Council on Maternal and Infant Health in Atlanta; Mildred Kaufman, administrator, Nutrition Section, Florida Division of Health, Jacksonville, Fla., Dr. Alvin Mauer, St. Jude Children's Research Hospital, Memphis, Tenn., representing the Committee on Nutrition of the American Academy of Pediatrics; and Mike McManus, president, Interaction, Seattle, Wash.

So if you would each proceed perhaps in the way in which you would prefer, or in the order in which I have introduced you. You will each have up to 10 minutes, and then after we have heard from all four, we will have a discussion with some questions.

Thank you.

STATEMENT OF CHARLOTTE WILEN, GEORGIA COUNCIL ON MATERNAL AND INFANT HEALTH, ATLANTA, GA.

Mrs. **Wilen.** I would like to request that to insure keeping within the 10-minute time limit, that my entire testimony——

Senator **Clark.** All of the testimony that's submitted today will be put in the record in its entirety. I think the summary is a good idea.

Mrs. **Wilen.** I am Charlotte Wilen, one of 14 members appointed by the Governor of Georgia serving on the Council of Maternal and Infant Health which was created by the 1972 Georgia General Assembly as an official legislative advisory council for the State of Georgia on all matters pertaining to maternal and infant health.

Therefore, it is my privilege to be Georgia's official representative, and it is on their behalf that we would wish to express our appreciation to this committee and to the leadership of Senator Talmadge for your sincere, dedicated interest and superb effort in support of what we think is one of the most vital issues to the future of our country's health and the quality of life of our future citizens.

There is a desperate need for WIC in Georgia. The special supplemental food program for low-income pregnant and nursing women, infants, and young children. Nutrition is now universally recognized as a vital environmental factor affecting human mental and physical development and health.

The nutritional status for the population of Georgia remains for the most part unknown. However, our high rate of teenage pregnancy, premature births, and failure to thrive in infancy imply the existence of nutrition deprivation and malnutrition.

Approximately one-third of Georgia families have an income below poverty level, and one-third of the expectant mothers are classified as low income.

The American Public Health Association has determined that low-income mothers show the greatest nutritional depletion after pregnancy. Low-income women also show a higher incidence of maternal morbidity and mortality and produce more infants who die or have handicapping conditions.

One in 11 Georgia children is born prematurely with low birth weight, 5½ pounds or less. These children are more likely to be underdeveloped, either physically or mentally.

According to the most recently published vital and morbidity statistics for the State, 16.5 percent of the mothers giving birth were 18 years of age and under, where the health risk factors including nutrition to mother and child is the greatest. Approximately 25 percent, or 24,000 births, of all Georgia babies born in 1971 were high risk.

Senator **Clark.** What was that figure again?

Mrs. Wilen. Twenty-five percent or 24,000 births of all Georgia babies born in 1971 were high risk, both to the health of the mother and the normalcy of the child.

Georgia's infant death rate is 9.9 percent higher than that of the rest of the Nation. Georgia ranks among the bottom 10 States in the Nation in the results of surveys on maternal and infant care. For example, in comparison to other States, Georgia ranks 39th in neonatal deaths, 42d in infant deaths, 46th in maternal deaths, 45th in fetal deaths, and 45th in low-weight births.

We anticipate that 1 of our every 10 expectant mothers in Georgia today will have babies born with an obvious mental or physical handicap or who will develop an impairment later in life.

Now, Georgia applied for WIC grants which cover the prenatal and preschool period because of our statistics and the knowledge that nutritional deprivation during periods critical for growth and development of the central nervous system may cause irreversible damage to subsequent mental development. Moreover, the effect of malnutrition on the development and functioning of the central nervous system depends on when the deprivation occurs, how long it lasts, and how severe it is.

It is important to acknowledge once again that the human being is more susceptible to damage during the latter part of fetal life and early infancy, the crucial periods for preventing physiological and neurological deficits in the population.

Georgia's WIC program presently is a $3 million project serving approximately 19.132 of a possible caseload of approximately 168,555 living in 60 of 159 counties. This program is an important step toward decreasing the number of birth defects due to malnourished infants and children.

Senator CLARK. Let me stop you just one second and make sure that I understand the statistics. You said 19,000 out of a potential 168,000 are under the program?

Mrs. WILEN. No, 19,000 are under the program of a potential eligible persons of 168,500.

Senator CLARK. That is what I wanted to clarify.

Mrs. WILEN. Yes.

Georgia seeks WIC statewide. Moveover, we believe Congress should make WIC a permanent national program. We support Senate bill 850 which would do this at a funding level of $300 million each year, as well as expanded eligibility to add nutrition education and average components to the program, establish an advance payment procedure, and include a provision which allows for flexibility in the contents of the food package, based on medical necessity and cultural eating habits.

Presently, administrative costs for local programs approximate 19 percent of food costs. This percentage reflects the fact that entire or partial salaries paid to several program staff come from other sources, and we are desperately worried that these other sources will dry up.

Therefore, exhilaration at the prospect of 25 percent of projected funds versus 10 percent of food costs for administrative costs and at the recognition by legislators of the need for nutrition education has been tempered by the realization that the 25 percent figure is to include costs for outreach, referral, operation, monitoring, nutrition education, general administration, startup, clinic, and administration of the State

WIC office. So the amount of money available for hiring staff to build a nutrition education component of WIC will be very limited.

We would like to recommend the raising of administrative costs to 30 percent. In Georgia, only one county of a total of 159 counties supports a nutritionist on its own. Three districts, representing 30 counties, each support a nutritionist, and thanks to a 12-month grant from the National Foundation-March of Dines, there is a nutritionist serving WIC participants in another district made up of 10 counties.

The remainder of the State must look to the Department of Human Resources of Georgia for consultation and assistance, and for which presently there are no funds. The presence of a nutritionist building a nutrition education component for WIC has strengthened the program as anticipated. Therefore, WIC funds for the establishment of nutritionist positions will help meet an urgent need.

Major responsibilities of WIC nutritionists will be to obtain detailed diet histories, evaluate the patient's dietary and nutritional needs, develop nutritional care plans in consultation with clinical staff, provide direct, dietary counseling to patients and their families in the selection and preparation of food in relation to nutritional needs, family income, cultural food patterns and home facilities, maintain adequate nutritional records for patients and conduct group educational programs for pateints.

It is believed that every member of the health team, including home health aides or outreach workers should be taught the basic principles of a sound diet so that they can reinforce the nutritionists' efforts. The goal is to provide WIC participants with the knowledge and skills needed in selecting nutritious food, so that upon discharge from the WIC program, they will be more knowledgeable consumers.

Senator CLARK. Go ahead and finish wherever it is convenient.

Mrs. WILEN. Well, basically WIC's termination would be detrimental to the health of thousands of Georgia citizens. Block grants to the States, as proposed by the administration, are not satisfactory either. Women over 17 would no longer be eligible for WIC, and the eligibility of infants would be left to the discretion of the State. We support the present Senate bill 850 for several other reasons which are in our general statement.

I would like to end with one statement, and that is, in those health department clinics with the WIC program, there has been an increase in overall clinic participation due to WIC's drawing power. This is one feature that makes WIC different from all other food programs because the other ones are not associated with health departments.

And in closing I would like to say our goal is to ensure that we hopefully can provide every Georgian, every citizen in our Nation with a good beginning in life for, in the final analysis, there is everything to be said for being born healthy.

Thank you.

Senator CLARK. Very good.

[The prepared statement of Mrs. Wilen follows:]

STATEMENT OF MRS. CHARLOTTE WILEN, GEORGIA COUNCIL ON MATERNAL AND INFANT HEALTH, ATLANTA, GA.

Georgia needs WIC, the Special Supplemental Food Program for low-income pregnant and nursing women, infants and young children.

Nutrition is now universally recognized as a vital environmental factor affecting human mental and physical development and health.

The nutritional status for the population of Georgia remains for the most part unknown; however, teenage pregnancy, premature births and failure to thrive in infancy imply the existence of nutrition deprivation and malnutrition.

Approximately one-third of Georgia families have an icome below poverty level and one-third of the expectant mothers are classified as "low-income".

The American Public Health Association has determined that low-income mothers show the greatest nutritional depletion after pregnancy. Low-income women also show a higher incidence of maternal morbidity and mortality and produce more infants who die or have handicapping conditions.

One in 11 Georgia children is born prematurely with low-birth weight (5½ pounds or less). Such children are more likely to be under-developed physically or mentally.

According to the most recently published (1971) vital and morbidity statistics for the State of Georgia, 16.5% of the mothers giving birth were 18 years of age and under, where the health risk factors including nutrition to mother and child is the greatest.

Approximately 25%, or 24,000 births, of all Georgia babies born in 1971 were "high-risk", both to the health of the mother and the normalcy of the child.

Georgia's infant death rate is 9.9% higher than that of the rest of the nation.

Georgia ranks among the bottom 10 States in the nation in the results of surveys on maternal and infant care. For example, in comparison to other states, Georgia ranks 30th in neonatal deaths, 42nd in infant deaths, 46th in maternal deaths, 45th in fetal deaths, and 45th in low-weight births.

We anticipated that 1 out of 10 expectant mothers in Georgia today will have babies born with an obvious mental or physical handicap or who will develop an impairment later in life.

Because of these statistics and the knowledge that: (1) nutritional deprivation during periods critical for growth and development of the central nervous system may cause irreversible damage to subsequent mental development; (2) the effect of malnutrition on the development and functioning of the central nervous systems depends on when the deprivation occurs, how long it lasts, and how severe it is (The human brain is more susceptible to damage during the latter part of fetal life and early infancy). Georgia applied for WIC grants which cover the prenatal and preschool periods, the crucial years for preventing physiological and neurological deficits in the population.

Georgia's WIC Program presently is a $3 million dollar project serving approximately 19,132, of a possible caseload of approximately 168,555, living in 60 to 159 counties. This program is an important step toward decreasing the number of birth defects due to malnutrition and the number of low birth weight babies and malnourished infants and children. Georgia seeks WIC Statewide. Moreover, we believe Congress should make WIC a permanent national program. We support Senate Bill 850 which would do this at a funding level of $300 million dollars each year, as well as, expand eligibility to women up to six months post-partum and to children through the age of four, increase the administrative allowance of 10% to 25% of projected program funds, and nutrition education and outreach components to the program, establish an advance payment procedure, and include a provision which allows for flexibility in the contents of the food package based on medical necessity and cultural eating habits.

Presently, administrative costs for local programs approximate 19% of food costs. This percentage reflects the fact that entire or partial salaries paid to several program staff come from other sources.

Therefore, exhilaration at the prospect of 25% of projected funds versus 10% of food cost for administrative costs and at the recognition by legislators of the need for nutrition education has been tempered by the realization that the 25% figure is to include costs for outreach, referral, operation, monitoring, nutrition education, general administration, start-up, clinic, and administration of the State WIC Office. So the amount of money available for hiring staff to build a nutrition education component of WIC will be very limited.

In Georgia, only one county of a total 159 counties, supports a nutritionist on its own. Three districts, representing 30 counties, each support a nutritionist; and thanks to a twelve month grant from the National Foundation—March of Dimes there is a nutritionist serving WIC participants in another district made up of 10 counties. The remainder of the State must look to the Department of Human Resources for consultation and assistance. The presence of a nutritionist building a nutrition education component for WIC has strengthened the program as anticipated. Therefore, WIC funds for the establishment of nutritionist positions will help meet an urgent need.

The WIC population is unfamiliar with eating nutritious foods. Simply providing the foods to people is often not sufficient guarantee that the food will have the effect Congress intended. People who are unfamiliar with a food and don't like it, will not eat it or insure that their children eat it, unless they are shown why it is important. Program administrators cite nutrition education as a vital factor in making WIC effective.

Major responsibilities of WIC nutritionists will be to obtain detailed diet histories, evaluate the patient's dietary and nutritional needs, develop nutritional care plans in consultation with clinical staff, provide direct dietary counseling to patients and their families in the selection and preparation of food in relation to nutritional needs, family income, cultural food pattern, and home facilities, maintain adequate nutrition records for patients and conduct group educational programs for patients.

It is believed that every member of the health team, including home health aides or outreach workers, should be taught the basic principles of a sound diet so they can reinforce the nutritionists' efforts. The goal is to provide WIC participants with the knowledge and skills needed in selecting nutritious food, so that upon discharge from the WIC Program, they will be more knowledgeable consumers.

WIC's termination would be detrimental to the health of thousands of Georgia citizens. Block grants to the States, as proposed by the Administration, are not satisfactory either. Women over 17 would no longer be eligible for WIC and the eligibility of infants would be left to the discretion of each state. We support Senate Bill 850 for several reasons:

(1) While school lunch and breakfast programs have for years provided nutritious meals for school children, no food assistance program was available for the periods of life when the most important growth and development take place: gestation and infancy. The WIC Program is designed for all these periods to provide nutritious foods at the times of greatest need.

(2) Nutrition counseling and education during pregnancy and lactation can only be effective if the patients can afford the food they are instructed to eat. The WIC Program provides the opportunity to give meaningful nutrition advice which can be followed because WIC provides the means of obtaining nutritious foods.

(3) Dr. James W. Alley, Director of Physical Health Division for the Department of Human Resources, State of Georgia, states "The economic impact of an early intervention program like WIC merits serious consideration, because neglect of the nutritional needs of mothers, infants and children can result in later high treatment costs and possible lifetime care for the mentally retarded. When one looks at the cost of institutional care and training for a mentally retarded individual, which is now averaging about $30 a day in Georgia, supplemental food can only be viewed as a tremendous health bargain."

(4) In those health department clinics with a WIC Program there has been an increase in overall clinic participation due to its drawing power. This one feature makes WIC different from other food programs because they are not associated with health departments.

In conclusion, I would like to quote a portion of the paper "Economic Benefits for the Elimination of Hunger in America", prepared by Barry M. Popkin of the Institute of Research on Poverty at the University of Wisconsin for the Senate Select Committee on Nutrition and Human needs:

"Improved nutrition improves learning, prevents an interruption of cognitive development and increases the ability to concentrate and work. Also better educated parents lead to better educated children.

"Improved nutrition increases the capability for prolonged physical work, raises the productivity of workers, and increases the motivation to work.

"Improved nutrition results in higher resistance to disease and lowers the severity of disease.

"Improved nutrition decreases fetal, infant, child and certain types of maternal mortality.

"Improved nutrition makes healthy mothers who have healthy children."

The Council on Maternal and Infant Health, which I represent, sees WIC as a means of reaching its goal of providing every Georgian with a good start in life.

We are pleased that B'nai B'rith Women join us in this advocacy in as much as since 1966 they have maintained an active volunteer educational-motivational prenatal care program for expectant mothers in need of public health care throughout the country.

Senator CLARK. Mildred Kaufman, Jacksonville, Fla.

STATEMENT OF MILDRED KAUFMAN, ADMINISTRATOR, NUTRITION SECTION, FLORIDA DIVISION OF HEALTH, JACKSONVILLE, FLA.

Ms. KAUFMAN. Mr. Chairman, I have been working with the WIC program since the early stages of applying and implementing the program. I think that those of us who have worked very closely with the WIC program and with the participants really see that it is meeting a tremendous health and food need, and that the recipients, if they could be here to speak to you, would express their tremendous gratitude. At this point I think they are expressing to us and perhaps to some of you by letters their great concern that this program may not continue.

We started our WIC programs in Florida in February 1974. We have six programs operated by county health departments and one with the University of Miami comprehensive health care program for children. At the end of March, we had a total of 1,668 women, 3,663 infants, and 6,934 children with a total case load of 12,265.

In our State we have a very excellent county health department program. Every county does have a health department, and our WIC programs are an added dimension to an ongoing public health program, and I think that is important in comparison to what you just heard from Georgia. We have really used WIC as an added dimension of programs that were already providing health services.

Fortunately, within the last 10 years we have also had the opportunity to bring to the attention of our public health people, in maternal and child health and our county health directors, the burgeoning area of knowledge about the relationship of nutrition to growth and development, including mental development, and its effect on the growth of the brain. Because of this we have had an increasing number of public health nutritionists added to the staffs of the county health departments, so that we now have 60 public health nutritionists working in Florida through our public health program.

We have five maternity and infant care projects which were funded with HEW funds. The health program funds that have been available over the years for maternal and child health have provided for an increased number of qualified nutritionists; they have provided for iron and for vitamin supplementation, but they were never permitted to be used for food.

We gave diet counseling to these women in terms of their own nutritional needs during pregnancy and advising them about what to feed their infants and children, but we were very frustrated all through these years because there was no way to help them implement the recommendations about what to eat, and to provide the food basic to the success of the nutrient supplementation, so that this has been a very difficult time and very frustrating to be able to give advice, but not to be able to provide any access to food.

The food stamp program was a referral resource, but it was limited in the amounts of food provided, and no provision was made to meet above normal nutritional needs. Therefore, to these health programs for prenatal care, infant care, and child health services, the WIC program has proven to be the answer to a long-identified unmet need.

The health service programs to which our WIC programs are attached are mostly existing maternity clinics, well baby and well child clinics, migrant and family health clinics, and the maternity and infant care projects. The clinics particularly that we have been very anxious to get into are those that serve high-risk pregnant women and infants, clinics that are associated with schools that serve teenage pregnant school girls, and the early periodic screening, diagnosis and treatment programs for children, which are related to screening under medicaid.

These clinics provide the health care services, conduct the medical examinations, the body measurements, blood tests, the dietary assessment needed both for good health supervision as well as for certification for the WIC program. Nutritionists serving the maternal and child health clinics are able to integrate the WIC program into the clinic routine, document the need for certification, assess nutritional problems, and provide some diet counseling.

Nutrition education has been expanded with the WIC program, not only to cover basic nutritional needs in the stressful periods of growth, but also to emphasize the nutrient values of the foods specified for the WIC programs and procedures for using our WIC coupons.

We have done some surveys of our participants ourselves, in addition to the survey that is now being conducted by the National Bureau of Standards, and we have found that the response of our participants has been overwhelmingly in favor of the program. Even in the days when we were having problems with our public health nurses about getting in their way in clinics and new procedures and not having enough staff for WIC, the participants were enthusiastic.

Now, 14 months after the beginning of our program, we are getting unsolicited observations of physicians and nurses, as well as our public health nutritionists that clearly affirm the positive values of this program.

We are not one of the States that has the University of North Carolina medical evaluation, so that we do not now have any tabulated data. We have a tremendous number of impressions and observations of improvements in health status, and better quality of food intakes because of the WIC program. We have plans to collect and tabulate the data which does exist in our medical records.

In addition to the benefits that are observed specifically in terms of health improvement of individual patients, we also have observed tremendously increased utilization of health care. Much of it is very much needed. In Jacksonville, the nurses are citing 75 percent improvement in the return of infants and children for their immunizations because they come back to get their coupons for WIC. Women are noted to be presenting themselves for prenatal care earlier in pregnancy, which we also feel is very important.

Children are being brought into clinics to be put on the WIC program with such low hemoglobins that there is urgent need for medical care, health supervision, as well as the supplemental food. The Brevard County Health Department, which is in an area which is particularly deprived because of the economic situation, they have seen a measurable increase in the use of their child health clinics since we began, and I feel that they are now reaching families who have needed health services all along, but never presented themselves to the health department.

Now, they also are noting that there are improvements in the hemoglobins and hematocrits and these are maintained over time with the WIC program.

We feel that the WIC program has filled a definite nutritional gap in maternal and child health services and that one of the things that needs to be pointed out again and again is that this is a truly preventive nutrition program, and in the long run can probably prevent costly needs for medical care and medical services and institutionalization which certainly are very consuming of taxpayers' money.

We have tried to implement a nutrition education component so that when the mothers "graduate" from WIC they will have permanent food buying habits and will select some of the foods that we are able to provide with the WIC program. We have already had indications that this was happening. A nutritionist in the Brevard County Health Department has pointed out that some of their patients who are no longer on the WIC program but are still being followed in their health clinics do report that they are continuing to purchase some of the foods that they learned to use while they were on the WIC program.

As an administrator and coordinator of the State WIC program, the pilot period has been very traumatic because of the constraints on administrative funding and the lack of startup costs in the initial legislation, as well as the restrictive and changing administrative regulations and guidelines that interpret the legislation.

We are delighted with Senate bill 850 because we feel that it would essentially solve many of the administrative and operational problems that we have been confronted with in the last 14 months.

The significant features that would aid State administration by health agencies are: making available 25 percent of projected program funds for administrative costs and operations. I think that the problem that we have all faced was the lack of a defined budgeted figure where the 10 percent was limited to the amount that was spent at the grocery store, so that this was an undependable figure, but 25 percent of the projected program funds would be a firm figure.

Startup costs until programs achieve their projected caseloads is another important feature.

The defining of administrative costs to include not only operation and general administration at State and local levels, but also outreach, referral, clinic costs, and nutrition education—another area.

Senator CLARK. Ms. Kaufman, I am afraid your time has run out. Please finish up your statement.

Ms. KAUFMAN. The stipulating of the contents of the food package to be flexible on medical and cultural eating patterns I think is very important. We have battled for buttermilk since the beginning of the WIC program. We are also aware that there are many children over a year old who need special formulas because of allergies, so I think that this should be made possible.

We are pleased that the Senate bill 850 does make WIC a component of a health program because we feel that this is a program that should be tied to a public health program or a health service for mothers, infants, and children. I think most of what I have said is in the statement that I have submitted.

Senator CLARK. That was an excellent statement, and we appreciate having your point of view.

[The prepared statement of Ms. Kaufman follows:]

STATEMENT OF MS. MILDRED KAUFMAN, ADMINISTRATOR, NUTRITION SECTION, FLORIDA DIVISION OF HEALTH, JACKSONVILLE, FLA.

For the expectant mothers, babies and young children realizing the nutritional health benefits of the WIC Program, I would like to thank you who introduced and supported the current WIC legislation. We who work with WIC participants know their urgent health and food needs, their gratitude for the food and health care supervision, and their concern that this excellent program may not be continued.

In Florida we have had over a year's experience with seven Supplemental Food Programs for Women, Infants and Children now serving patients in six counties. Six of these programs are operated by county health departments in Brevard, Broward, Collier, Dade, Duval and Okaloosa Counties. The seventh is part of the University of Miami Comprehensive Health Care Program for Children. At the end of March a total of 1,668 women, 3,663 infants and 6,934 children for a total caseload of 12,265 individuals were receiving benefits of food and associated health care made possible through this program. In Florida we have used WIC as an added dimension to ongoing maternity, infant and child health programs. Fortunately our county health directors and directors of maternity and infant care and children and youth health projects have kept abreast with the findings of nutrition and medical science relating nutritional quality of diets to outcome of pregnancy and growth and development of children including brain and intellectual development. In efforts to reduce our higher than national average infant death rate, reduce prematurity and low birth weight infants, occurrence of mental retardation and costs of medical care for high risk infants and children, nutritionists have increasingly been added to the health team and we now have 60 public health nutritionists working in Florida's public health programs. However, nutritionists, nurses and physicians counseling low income pregnant women and mothers about nutritional needs prior to the WIC Program were frustrated when mothers said they could not afford to buy foods recommended. Department of Health, Education and Welfare maternal and child health funds could be used for nutritionist positions, for iron and vitamin supplements, but could not be spent to help patients purchase nutritious foods that support the nutrient supplementation. The Food Stamp Program was a referral resource but was limited in amounts of foods provided with no provision to meet above normal food and nutrient needs. To health programs for prenatal care, infant care and child health services the WIC Program has proven to be the answer to a long identified unmet need.

Health service programs to which our WIC Programs are attached are maternity clinics, well baby and well child clinics, migrant or family health clinics and maternity and infant care projects. Clinics particularly serving high risk pregnant women and infants, clinics associated with schools serving teenage pregnant school girls and the early and periodic screening, diagnosis and treatment programs are included. These clinics provide the health care services, conduct the medical examinations, body measurements, blood tests and dietary evaluations needed for both health supervision and certification and referral to the WIC Programs. Nutritionists serving the maternal and child health clinics and integrating the WIC Program documents needs for certification, assess nutritional problems and provide diet counseling. Nutrition education has been expanded with the WIC Program not only to cover basic nutritional needs in stressful periods of growth but to emphasize nutrient values of WIC foods and procedures for the program.

A survey of participants conducted early in the program compiled responses of participants and observations of physicians and nurses clearly affirm the positive values. We do not have any of the University of North Carolina medical evaluation projects but are impressed with observations of improvements in health status and better quality food intakes of WIC participants. We have plans to collect and tabulate data to more adequately document these observations. Meanwhile, physicians and nurses have commented on improvements in health and are gratified with increased utilization of related health services. In Jacksonville nurses cite a 75% improvement in return of infants and children for immunizations because of WIC. Women are noted to be presenting themselves for prenatal care earlier in pregnancy. Cases are reported of children brought in to be put on the WIC Program with such low hemoglobins that there is urgent need for medical care and health supervision as well as supplemental food. Brevard County Health Department documents a measurable increase in use of well child clinics since WIC began.

As a health professional I feel that WIC has filled a nutritional gap in maternal and child health services. Participation in a WIC Program with a nutrition education and consumer education component, as we have tried to implement it, can enable WIC "graduates" to continue improved eating and buying habits which they "learned by doing."

Our food delivery system uses coupons color coded for each nutritionally equivalent food group. It provides the opportunity to make some choices at the grocery store within permitted WIC foods.

As an administrator and coordinator of a state WIC Program, the pilot period has been inordinately traumatic because of constraints on administrative funding and startup costs of the initial legislation, and the restrictive and changing administrative regulations and guidelines interpreting that legislation. Senate Bill 850 which you are considering would essentially solve many of the administrative and operational problems and I believe I speak for my counterparts in all of the states urging your favorable consideration. Significant features that would aid state administration by health agencies are:

1. Making available 25% of projected program funds for administrative costs and operations;
2. Providing for program startup costs until programs achieve projected caseloads;
3. Defining administrative costs to include not only operation and general administration at state and local levels, monitoring and startup costs but also outreach, referral, clinic costs and nutrition education; and
4. Stipulating that the contents of the food package be flexible based on medical need and cultural eating patterns.

Specific factors which would safeguard and assure program quality and evaluation as a health service are:

1. Defining the program as an adjunct to good health care;
2. Requiring the administering agency to submit a plan for nutrition education and outreach;
3. Stipulating eligibility for participation to be certified by a health professional based on evidence of nutritional risk and providing for maintenance of adequate medical records;
4. Providing for stipulated advisory committees with members expert in medicine and nutrition as well as consumers; and
5. Extending to six months post partum period of participation for women and up to five years for children.

Again, I thank you for providing the pilot WIC Programs. On the basis of a very difficult but rewarding 14 months of experience, it is hoped that WIC has emerged as a valuable program which can be continued, expanded and made more responsive to the needs of participants and administering health agencies as these have emerged during this trial period.

NEWS FROM STATE OF FLORIDA, DEPARTMENT OF HEALTH AND REHABILITATIVE SERVICES, DIVISION OF HEALTH

Florida's public health officials are supporting extension and expansion of the U.S. Department of Agriculture's Supplemental Food Program for Women, Infants and Children (WIC) which is slated to end on June 30, 1975.

Physicians, nurses, nutritionists and other public health workers have issued a statement which says "the WIC Program should not only be continued but expanded to meet the needs of an estimated 120,000 women, infants and children in Florida."

The benefits to society, health officials say, that will result from the prevention of nutritional health problems in the early developmental stages of life in the target groups will outweigh the costs of the program. They predict the program will help head off a costly crisis in health care, and will greatly reduce otherwise needed care in state and federal institutions and for the dependency of these groups on society.

"Unless Congress takes prompt action," E. Charlton Prather, M.D., director of the Division of Health of the Florida Department of Health and Rehabilitative Services (HRS), said, "federal legislation which funds Florida's seven special Supplemental Food Programs for Women, Infants and Children will terminate at the end of this fiscal year."

"These programs provide highly nutritious foods especially selected to overcome or prevent iron deficiency anemias, impaired growth and mental retardation which afflict many low income families. Large numbers of these families are forced by high food prices to live on diets deficient in those foods which provide essential nutrients such as protein, iron, calcium and important vitamins.

"The Division of Health has been receiving funds from the U.S. Department of Agriculture since February 1974 to operate seven pilot projects. Funds for the period from July 1 to June 30, 1975 for Florida amount to $3,700,000. The projects are being operated by the Brevard, Broward, Collier, Dade, Okaloosa, City of Jacksonville-Duval county health departments and the University of Miami School of Medicine's Comprehensive Health Care Project for Children. The total number of pregnant and lactating women, infants and children authorized to be served by the Florida projects is 13,561.

The purpose of the program is to supplement the diets of pregnant women, nursing mothers, newborn infants and young children who have been identified by a physician, nurse or nutritionists as a "nutritional or health risk". Participating local health clinics provide the participants in the program with coupons which buy iron fortified infant formula, milk, cereals highly fortified with iron and vitamins, vitamin c-rich fruit juices and eggs.

"The program," Dr. Prather said, "is an important step toward decreasing or preventing the number of infants and children with iron deficiency anemia in the disadvantaged population. About 10 percent of the infants and children screened in the Medicaid program have iron deficiency anemia. This constitutes a serious public health problem."

"Overcoming the symptoms of iron deficiency anemia such as fatigue, apathy and possible lowered resistance to infection, can improve the productivity and performance of infants and children and can give them a better start in life," he said.

"The rationale of the WIC program is based on new research relating brain as well as physical growth and development to the nutritional quality of the mother's diet during pregnancy and the child's food intake during the first months of life. About 90 percent of brain growth occurs by the fourth year of life. Thus the WIC program is an investment in the future quality of life in our technological society," said Emily H. Gates, M.D., administrator of the Child Health Section of the Division of Health.

"The WIC program," she said, "is directed toward decreasing the number of low birth weight infants and reduction of birth defects, both costly in terms of needed medical care to say nothing of human misery."

"The WIC program," said Miss Mildred Kaufman, adimnistrator of the Division of Health's Nutrition Section, "is an important contribution to health and productivity. The coupon system used in Florida, enables mothers to purchase the selected nutritious foods at the grocery stores, teaches them about nutritional values and economics of food buying and can bring about lifelong improvements in quality of diets and changes in types of food selected.'

"The participants," she said, "have used it to advantage and have appreciated its health benefits. They are all distressed to hear that this valuable program may soon be terminated.

"Public health nutritionists working in Florida's maternity and child health clinics have long been frustrated when they advised mothers about what foods they or their children need because they were aware that the mothers could not afford to purchase the necessary foods."

"One of the overall goals of our bureau," said Jorge Deju, M.D., chief of the Bureau of Maternal Health and Family Planning, "is to improve the health of mothers and their babies. The Family Planning program helps meet this particular goal by allowing the mother to space her pregnancies. This gives the mother time between and during pregnancies to replace vital nutrients drained from her body while she is carrying a child. To do this, the mother should eat the proper foods, those which supply adequate nutrition.

"In the case of many indigent mothers, good nutrition has not been possible before pregnancy, therefore good nutrition during the time she is carrying her baby is even more important. Fortunately, because of the food supplied through the WIC program, many of these women, often teenagers, are able to improve

> their diets, thereby improving their health and increasing their chances of having a healthy baby."

Senator CLARK. Next, we are going to hear from Dr. Alvin Mauer, St. Jude's Research Hospital in Memphis, representing the American Academy of Pediatrics.

STATEMENT OF DR. ALVIN M. MAUER, MEDICAL DIRECTOR, ST. JUDE CHILDREN'S RESEARCH HOSPITAL, MEMPHIS, TENN., REPRESENTING THE COMMITTEE ON NUTRITION OF THE AMERICAN ACADEMY OF PEDIATRICS

Dr. MAUER. Thank you very much, Senator.

The American Academy of Pediatrics would like to speak in favor of this bill.

Senator CLARK. Is that S. 850?

Dr. MAUER. Yes, and I would like primarily to devote my time to talking about the need for such programs and the effectiveness of such programs. I think that there are no questions that there have been many surveys recently to indicate that malnutrition is still present in this country. I am going to talk about two of them, the 10-state survey which was published—and we have submitted results to you—and also our own survey in Memphis conducted by the St. Jude Hospital.

There are in addition to the fact that malnutrition was found in these children two other important points from both of these surveys. One is there was a direct relationship to economic status. That is, malnutrition increased in frequency as the economic status decreased, and secondly that when one looked at the cause of malnutrition, it was because of limited food availability, not poor diets or for other reasons, and this was true in both surveys.

The consequences of malnutrition in these children could be most easily demonstrated in iron deficiency and iron deficiency anemia. The 10-state survey found iron deficiency in up to 70 percent of the children under the age of 3. In the Memphis survey actually a quarter of the children had severe iron-deficiency anemia as a consequence of their malnutrition.

Senator CLARK. Is this all the children?

Dr. MAUER. These are children—again the 10-state survey was of children in the lower economic status, and the same thing was true of the Memphis survey, so that there is a direct relationship to poverty.

Now, beyond the iron-deficiency anemia, these children also demonstrated growth retardation in both of these surveys. In the Memphis study, half of the children were below the 25th percentile for weight and height.

Dr. MAUER. The major concern for malnutrition in infancy is its possible effect on brain development. It is certainly a relationship which is not yet clearly demonstrated, but I would just like to read the comment of the position paper of the Food and Nutrition Board of the National Academy of Science. It says that:

> Present evidence indicates that malnutrition, per se, and as an integral part of the environmental complex, may adversely affect brain development and behavior, or both, directly and indirectly, so it must be for us a major concern for more nutrition.

Now, as I say, the surveys has demonstrated this to be present and consequences thereof. Can they be eliminated? That is, are food supplemental food programs effective? The WIC study reports, of course, are just now coming in, but I can give the results of our study in Memphis, in which infants were provided an iron-fortified formula during the first 6 months of life and were also given food supplementation by prescription during the first 5 years of life.

Now, the results of this study, which are now about 4 years old, indicate that, indeed, that with this iron-fortified formula, that iron deficiency anemia, and iron deficiency as we can measure it, has been eliminated from the children who had the benefits of the program.

The growth of these children, both in height and weight, now is typical of those children of the middle class. That is, the growth retardation that we had seen before has, likewise, been eliminated. We are coming up in the next 3 years to an opportunity of evaluating the effectiveness of this program on school performance and will be doing this, but I think that as far as elimination of deficiencies, like iron deficiency, and effective growth, that there is no question that these programs are, indeed, effective.

We also favor a supplemental feeding program for schools and other institutions. It is much more difficult, of course, to document the effectiveness of these programs, but I think that it is not difficult to document the needs.

Again, the relationship of malnutrition to poverty is over and over and documented. Certainly we can find that if we find a child who has iron deficiency in infancy and then look at the family, that the family likewise has a high chance of being iron deficient, that is that there is malnutrition in the whole family, not just the infant. So, likewise, although it is more difficult to point to the effectiveness of the programs, we certainly see that there is a need.

We would finally close by making a recommendation that consideration be given to adding a small, but very important, group of children who need prescription foods, to this bill. They are children who have, some of them, inborn medical problems, such as phenylketonuria, who require prescription foods to prevent the development of severe brain damage. These foods are expensive and many of the people who require them, are families of children that cannot afford them. In addition, there are situations such as chronic renal failure. Some children have chronic diarrhea who require for a time special formulas, and, as I say, we would request that you consider adding prescription foods to this supplemental feeding program.

So, again, the Academy of Pediatrics feels that, indeed, there is a documented need and there has been quite adequate documentation of the effectiveness of these programs where they have been used.

Thank you very much for this opportunity.

Senator CLARK. Thank you very much, Dr. Mauer. I am advised that you started a program identical to WIC or very close to it, some 3 years before the Federal program actually was funded, and you have done a lot of planning and work in this area. The legislation that was passed by the Congress was based upon your findings, and we are particularly happy to have your statement.

[The prepared statement of Dr. Mauer follows:]

STATEMENT OF DR. ALVIN M. MAUER, MEDICAL DIRECTOR, ST. JUDE CHILDREN'S RESEARCH HOSPITAL, MEMPHIS, TENN., REPRESENTING THE COMMITTEE ON NUTRITION OF THE AMERICAN ACADEMY OF PEDIATRICS

Mr. Chairman, I am Dr. Alvin M. Mauer, Medical Director of the St. Jude Children's Research Hospital, here today on behalf of the Committee on Nutrition for the American Academy of Pediatrics. The Academy is a professional organization of more than 17,000 Board certified physicians providing health care to infants, children, and adolescents.

Representing the committee, I wish to speak on behalf of the Senate Bill S–850 amending the National School Lunch and Child Nutrition Acts.

Several surveys of American children in the past few years have documented that malnutrition is still prevalent among children in this country. A nutrition survey conducted in ten states and including both urban and rural youngsters showed malnutrition as defined by iron deficiency is up to 70 percent of preschool children.[1] In a study of urban-poor children in Memphis, reported in 1970,[2] 28 percent of the children less than three years of age had hemoglobin values below 10 g/100 ml, indicative of a rather severe degree of iron deficiency.

A most recent report published in 1974 by Dr. Teresa Haddy and her co-workers indicates in a similar group of children from a lower socioeconomic background that iron deficiency continues to be commonly seen.

Iron deficiency is an early and easily demonstrated manifestation of malnutrition in children. It is important to point out, however, that the clinical consequences of malnutrition in these children could be measured by other means as well. In the Memphis study, half of the children were found to be below the 25th percentile for both height and weight. Retardation of growth was also found in the Ten State Survey, as indicated by studies of height, weight, and skeletal, dental, and sexual development.

In addition to the retardation of growth, there is a further important and unresolved consideration concerning the significance of malnutrition during the early years of life and its relationship to brain development and behavior. Although the role of early malnutrition has not been clearly defined, the position paper of the Food and Nutrition Board of the National Academy of Sciences concludes that "present evidence indicates that malnutrition per se and as an integral part of the environmental complex may adversely affect brain development and behavior both directly and indirectly."[3] This document stresses the need for continued studies in animal and man to identify and document more clearly the interacting effects between nutrition and other environmental factors in terms of brain development and behavior.

In further consideration of the problem of malnutrition among children in this country, one must, of course, look at the causative factors. Obviously, many elements contribute but there is one overriding issue which emerges from all of the surveys; that consistent finding is poverty. A clear relationship exists between economic level and state of nutrition. In the Ten State Survey, an attempt was made to find out whether dietary patterns affected the nutritional content of children's food. The answer was that the proportional content of nutrients in the diet did not vary. It was only the total amount of food available to the child that made the difference between the intakes of the low- and middle-income classes. The Memphis study, similarly, showed that lack of food was the main cause of growth retardation and anemia. Thus, educational campaigns alone without an expansion of food availability for these children would not seem to be an adequate approach to the problem.

The value of food supplementation intervention programs on malnutrition in children has been best documented during the first years of life. In the Memphis Study in which an iron containing formula was used during the first six months of life and supplemental food was available by prescription to the families during the first five years of life, the distribution of height and weight of children is now within the normal ranges for their ages. Furthermore, iron deficiency anemia has disappeared as a result of the early supplementation of their diets with iron. Many other studies also support the effectiveness of supplemental feeding programs in eliminating evidences of deficiency diseases in the children at risk. It will be of real interest to see the evaluation of the WIC Program in which supplemental feeding programs were made available to a much larger number of children throughout the country. One should certainly anticipate that a similar improvement in the state of nutrition would have been observed.

---

[1] American Academy of Pediatrics—Committee Statement: The ten-state nutrition survey: a pediatric perspective. Pediatrics 51: 1095. 1973.

[2] Zee, Paul, Walters, T., and Mitchell, Charles: Nutrition and poverty in preschool children: Jama 213: 739. 1970.

[3] The Subcommittee on Nutrition, Brain Development, and Behavior of the Committee on International Nutrition Programs: The Relationship of Nutrition to Brain Development and Behavior: National Academy of Sciences, National Research Council.

It is more difficult to provide documentation for the effectiveness of such programs as the School Breakfast and Lunch Programs and Summer Food Programs. However, it should be recalled that the relationship between poverty and malnutrition was clearly shown in the Ten State Survey and there is no reason to doubt that the older poor child is likewise at risk from malnutrition. Indeed, in a recent study Dr. Karp and his coworkers found that there was a good likelihood that families of poor children found to be iron deficient would also have evidence of iron deficiency as one manifestation of malnutrition.[4] The provision of supplemental food to these children, in the form of School and Summer Meal Plans, could hardly be without benefit in improving the state of nutrition.

There is one other small, but important, group of children who would benefit by having special supplemental food made available to them. There are a few children in this country who require special expensive diets. For example, children with phenylketonuria require a diet low in phenylalanine to prevent the development of progressive brain damage. These children and other children like them who are metabolically handicapped require formulas which can be of various degrees of expensiveness to prevent severe mental retardation. In other children, for example children with longstanding diarrhea, the temporary provision of a special formula will allow recovery from the diarrhea and return to a normal state of health. Without the help of these special foods the ultimate cost of care for this small group of children would be enormous. Therefore, the Committee on Nutrition of the American Academy of Pediatrics respectfully requests that the Bill be amended to make provision for special dietary supplementation for children with this small group of disorders who are otherwise unable to pay for these necessary formulas.

In closing, please let me thank the committee for the opportunity of appearing before it to represent the support of the Academy of Pediatrics for this Bill.

Senator CLARK. Now, we are going to hear from Mike McManus, who is President, INTERACTION, Seattle, Wash.

STATEMENT OF MIKE McMANUS, PRESIDENT, INTERACTION, SEATTLE, WASH.

Mr. McMANUS. Thank you very much, Senator Clark, members of the committee, ladies and gentlemen. My name is Mike McManus and I represent INTERACTION, a tax-exempt charitable and educational agency in the State of Washington, which is under contract to the Department of Social and Health Services, and which I believe is the only contractor of this sort in the Nation that is serving as the fiscal intermediary for the WIC program.

Just recently, we signed a contract to manage the State of Idaho as well.

I am here representing a consortium of business and industries that are working with us in the State of Washington to support the continuation of the legislation and departmentalization of the WIC program to meet the needs of this disadvantaged population.

Now, I am not here to speak on the social implications of WIC, although we are a social agency, since others obviously have already testified to the social and clinical values of this program. Rather, we thought in Washington State that it would be very important for you to hear the business implications of this program, since we have close ties with the business community in Washington State. We therefore prepared this testimony.

---

[4] Karp, R. J., Haas, W. S., et al.: Iron deficiency in families of iron-deficient inner-city school children. Am. J. Dis. Child. 128 : 18, 1974.

INTERACTION is a rather unique corporation and is sometimes misunderstood. It represents a group of management-oriented people, accountants, auditors, ex-business and industrial leaders; in fact, one of the people with our group is the former State director of agriculture. And, it has been operating 3 years as a rather unique experiment to involve the private sector more thoroughly in a cooperative venture in administering and delivering governmental programs.

We have always felt that a combination of private sector-governmental sector work would reduce costs and, hopefully, even improve program delivery by reducing dependence upon the governmental mechanisms. We are still trying to prove that, and we think we have in WIC.

The following testimony details our experience in Washington State, the reasons why the business community in Washington State supports this program, and why we feel WIC should serve as, perhaps, a model for other governmental programs, at least the way we have been delivering it in Washington State.

As you know, for years businessmen and women have bitterly complained about governmental so-called giveaway programs. WIC, however, has the full endorsement of the business community in Washington State. From our experience, WIC represents the kind of governmental-private sector cooperation which produces more mileage for the taxpayer's dollars. This program appeals to the business community because of its business-like approach to feeding the disadvantaged, including its rather extensive fiscal and clinical controls, low overhead, simplicity of operation and minimization of abuses.

We have put together in this consortium about six industries in the State, and I would like to read you the brief statements from them, although there are letters enclosed that are more lengthy.

The first one is from the Washington State Food Dealers Association, and it says this:

> We strongly endorse the WIC program. Our membership, to a store—and that is over 3,000 supermarkets in our state—feels the program has been well set up and is working extremely well.

Senator DOLE. Would that not be sort of a self-serving statement?

Mr. MCMANUS. It may be in the sense we are all here with vested interests.

Senator DOLE. I can understand. I read your statement which said all those people would be for it because they are going to profit from it.

Mr. MCMANUS. But, let me tell you why they support it. Naturally, they are going to profit because the private sector is set up for profit.

Senator DOLE. That does not tell me much, to have somebody say I am for it because I profit from it.

Mr. MCMANUS. But, they are not saying it just because they are profiting from it, and I want to make that quite clear. We are saying it because we believe that it is a better way of handling a program by using existing channels, and that in the long run it is being done more inexpensively anyway. We are still falling well within the 10 percent administrative cost in Washington State, which is the lid that has been put on this program.

As a matter of fact, our organization and the subcontractors are doing this for 7 percent, which we think is a very low overhead, and the point I am trying to make is that, still, in spite of that low overhead, every one of the cooperating organizations is coming out all right on the program, and I think that is a model that Government really ought to be looking at, at least that is the way we feel.

Senator **Dole**. Do not misunderstand. I am impressed with what you are doing, but I am not impressed with the farmer saying I am for the farm program because I get a subsidy.

Mr. **McManus**. I can appreciate what you are saying, and I certainly feel the same way. The point we have tried to make is what I have already mentioned. Just to paraphrase, the Food Dealers Association feels that it is just smart business going through existing channels of delivering a social program, that is, the supermarkets and the mom and pop stores in Washington State.

UARCO Business Forms, Inc., as you have read, feels that this program has minimized red tape and has lowered administrative costs, and they, frankly, like the way that it is administered.

BCS, Boeing Computer Services, has said that they feel it has been an appropriate use of their computerization system. Through this system we have been able to provide the necessary documentation required to show the accountability of the programs.

Obviously, these other organizations, the pharmaceuticals, would feel the same way. Seattle-First National Bank, a part of the interbank system, feels that the WIC program is an example of how we can use existing banking channels to handle food vouchers, and everybody still comes out all right.

So, I will not go into the rest. Now, the testimony does detail the rather extensive clinical controls that are in this program as well as the extensive fiscal controls. We feel that these kinds of controls in a governmental program designed for the disadvantaged perhaps alleviate some of the abuses which are inherent in governmental programs that do not have these kinds of extensive controls.

We think controls could, perhaps, be overdone, but at the same time we feel that in many programs they have been underdone. Our consortium has had many years of experience in dealing with the business and industrial community, the downtown Chambers of Commerce, the Rotary Clubs. These people are consistently writing the administration speaking in great disfavor of the so-called giveaway programs; we have tried to establish that the way we are running this program in Washington State has provided an example of how a governmental program can be run efficiently, can be run programmatically well, can make the private sector happy because of the controls established, and can minimize the abuses to almost nothing.

I think this model is what we are talking to, and it really, quite frankly, transcends the WIC program and it goes into other nutrition programs. It can go into manpower; it can go into medicare, medicaid, and so forth. So I will not go into the controls, and I will try to summarize the rest by saying that we would like you to continue this program. We think it should be funded as a 3-year program. We recognize that funding any program in Government these days is a horrendous task and, particularly, where the administration has canceled out the funds in this particular budget. We would implore you as business people to find a conservative approach to continuing this program, maintaining a level of effort, asking for a degree of expansion to bring in the caseloads that have been authorized or will be authorized, even though we know that you are in a lot of hot water, trying to balance a budget that is already way out of wack.

We think that the administration has been improperly advised, for whatever reason, for proposing to discontinue the WIC program, particularly based upon our experience in Washington State.

That will conclude my testimony. It is a consortium approach and the consortium of subcontractors is listed on the last page. Letters are submitted with the testimony to support that consortium.[1]

Senator CLARK. Thank you very much, Mr. McManus.

We have a great number of witnesses, but this is an opportunity for questions. Senator Dole?

Senator DOLE. I am impressed with what Mr. McManus said in reference to administrative costs. You have been able to keep it below or within the 10 percent. Others are asking to be raised to 25 percent. I think this demonstrates one approach, as opposed to the bureaucratic approach, where you get more people and more money and you end up with half or 25 percent of the program funding going into administrative costs and fewer people benefiting from the Federal dollar. That may not be a correct analysis, but at least I hope you can get in touch with Kansas and work out something there because we need to save all of the money we can for the programs. In fact, I am going to get you in touch with somebody in Kansas. I assume their administrative costs are reasonable.

Is there any State input in Georgia or Florida or Tennessee in this program? Does the State contribute, Mrs. Wilen.

Mrs. WILEN. The State inputs—and this is why you heard me say that our administrative costs at 9 percent. Part of it is being picked up by the State, part by the foundations, part by those counties who have nutritionists. In other words, we are putting the nutritionists under——

Senator DOLE. I mean percentage-wise for the program. How much does Georgia contribute?

Mrs. WILEN. To the WIC program itself, mainly staff. There was no money for—10 percent was inadequate.

Senator DOLE. You mean in the interest of the Georgia Legislature, the Tennessee legislature, the Florida legislature becoming involved in this program. Ms. Kaufman?

Ms. KAUFMAN. Senator, I would like to respond to that. The State legislative budget request that you have to put in is put in over a year in advance. Last year I tried to put something into our legislative budget request, and they pointed out to me that at that time the WIC legislation that was in effect expired on June 30, 1975, and they were developing a budget that started on July 1, 1975. I think at the point where we know that the WIC legislation will be continued far enough into the future, then we can begin to ask our State legislatures for help.

Senator DOLE. I raised the question because I am on the Budget Committee. We have been trying to determine how in some of these instances the taxpayers who are going to be taxed for some 20 years are going to carry the burden. We learn that in many cases the States are far better off than the Federal Government, but it is so easy to come to Washington and say the Federal Government ought to pick up all the costs or 90 percent of the costs and the States should do nothing.

---

[1] See p. 202.

I do not quarrel with the value of the program, but if it is so valuable, then the States ought to be doing something too. We ought to be trying to cut administrative costs. We really have some problems with the budget, and I am certain everyone appreciates that. We are now looking at a $100 billion deficit in 1976. I think we can hold it to $60 billion. You can understand the shape we are in. We may need a WIC program of our own.

We have to think of something else, just to sustain the taxpayers. We have to have a little supplemental feeding for them. I just want to highlight the problem. It is not that anybody quarrels with the program. Dr. Mauer who apparently pioneered it certainly deserves great credit, but you understand we have a problem too from a fiscal standpoint.

What about Tennessee? Are they doing anything?

Dr. MAUER. I would like to make two corrections. I am currently at St. Jude Hospital and certainly very much involved with this program, but I unfortunately cannot take credit for having started it.

Second, our program has been operating under a different group, and therefore we have not had direct relationship with the WIC program. Obviously, I am well aware of it, but I cannot from my own personal experience tell you what is going on in Tennessee.

Senator DOLE. What about in Washington? Did you put all your costs in there? Did you get some additional costs?

Mr. MCMANUS. There are no additional costs.

Senator DOLE. How can you do it for 7 percent, and it takes Georgia 19 percent?

Mr. MCMANUS. That is the whole thesis of the testimony. The fact is when you put the private sector with the governmental sector—and I have administered a lot of social programs, being a hospital administrator to a mental health center director to a manpower program director—right down the line—you come out better financially.

Senator DOLE. How would you like to be Budget Director?

Mr. MCMANUS. That probably is the most horrendous job at any governmental level today, but the point is that there are existing systems that can be well utilized that cost less money if you can catalyze them, and that is exactly what we have had the opportunity of doing in Washington State.

State govenrment takes 1 percent of the administrative costs for overall monitoring and supervising the program and reporting back to the WIC officials. The approximately 50 health clinics take 2 percent. They take 2 percent for their staffing costs, which is not enough, and they do need more, but we are getting by. We are almost up to maximum caseload in Washington State, even though the clinics have probably suffered most from this overhead limitation. Again, as a tax-exempt agency, we are not self-serving as nobody can profit from any tax-exempt agency, or they will lose their IRS status.

We take 7 percent, and that covers the cost of all computerization, all the banking charges, for 50,000 vouchers, which are designed as a traveler's check, clearing the bank each month now. That covers all of the business forms printing. That covers two full-time nutritionists on our staff in the field, giving technical assistance in consort with the State staff to the grocery stores and to the health clinics, and it involves the accounting and the audit trails which are required to assure accountability.

Now, I am suggesting that we have an example there, and I am not trying to blow my own horn, but here is an example of a cooperative approach that makes business sense. It also makes programmatical sense. We just went through a State audit. It was 100 percent A-plus. We look forward to a Federal audit. We look forward to a private audit.

Now this is a model. That we should not continue this kind of a model is beyond belief to our community.

Senator DOLE. I just want to follow up. Do you find any duplication between the WIC program and the general welfare program and the supplemental SSI program and the food stamp program? I mean it is possible for those who receive benefits under WIC to be also receiving benefits under two or three other programs. Maybe that is not within the purview of what you do.

Mr. McMANUS. That is correct, and you are right. It is not our purview to be examining overlay and duplication. In my mind—and this is just one man's opinion—I do not think there is duplication. I think this program is truly supplementing these other programs for many clients, and it is picking up where other programs leave off.

Senator DOLE. It seems to me that there may be some proper direction. If the welfare recipient is also a WIC recipient, there might be a saving of Federal funds without any degradation of the program. Money in itself is not going to solve the problem if it is not properly used.

Mr. McMANUS. Agreed 110 percent.

Senator DOLE. No one seems to want to put a lid on anything around here.

You were waiting on me earlier?

Ms. KAUFMAN. I think there are a few things here that need to be brought out in the open.

Senator DOLE. I hope you bring them out in the open. This is post-Watergate.

Ms. KAUFMAN. First of all, I think that Mr. McManus is addressing himself to the administration of getting the food to the people. I think that many of us have administrative systems that are operating now that the caseloads are at peak within the 10 percent at about 9 to 10 percent. We are doing a good job of this.

I think that the areas that need to be developed in the WIC program are the clinical aspects for which we are now getting funding from USDA, but which is not in the initial legislation. This is very much needed to make it a component of the health program, and then to tie in nutrition education, so that people will have gained from the experience of being on the WIC program, and I think it is the components of nutrition education, outreach, clinical costs——

Senator DOLE. When do you graduate from the WIC program? When does the mother graduate? You mentioned that earlier when they graduate that some do continue to buy the food. Have there been any followups to determine what happens when the free WIC program ends, do the nutrition habits revert or what?

Ms. **Kaufman**. This is what I was trying to say.

Senator **Dole**. But you did not give any percentage. You just said "some."

Ms. **Kaufman**. We have to get some statistics on this, Senator Dole. I would agree that this is something that has been observed by some of the nutritionists. The mothers now 6 weeks post partum are not on the WIC program for themselves any more. Their infants then would be eligible.

Senator **Dole**. Right, but if we are going to followup and do as Dr. Mauer wants to do, we have to have some study or followup to indicate that it is truly a lasting program. You have 4 years benefit.

Dr. **Mauer**. Let me say in our experience where we have had a chance to do studies on these children, each year, as they have grown up that indeed the advantages gained at the end of the first year are maintained in the second and third year, so that I think that, yes, indeed, this program does have a lasting benefit.

Senator **Dole**. There will always be a few dropouts, some slippage. I do not suggest that it should be 100 percent.

That is all I have.

Senator **Clark**. I think Mrs. Wilen wished to address a specific question.

Mrs. **Wilen**. There were several. However, I did appreciate your replying to that one question which I felt very strongly about.

Senator **Dole**. Then you want to raise it to 30 percent?

Mrs. **Wilen**. Yes, the point being, the WIC as it is and as it is going hopefully will be determined in the present as excellent.

Now the reason everyone is so strongly for it is because many of the States, counties, and/or private volunteer agencies have seen this desperate need for additional services beyond just giving people food. Now, where the other food programs differ—in the food stamp program is not similar to WIC. WIC designates exactly the kind of foods the mother may purchase. The food stamp program does not do this whatsoever.

Now, one of the most important components is education and something you yourself just said, and that is followup. Now, we call followup and some of the other things I outlined in my presentation and some of which I was unable to complete. It takes money to do followup, right doctor?

Senator **Dole**. I understand your reasons.

Mrs. **Wilen**. We agree with you that we need these kinds of statistics. We need to prove it, and certainly M. & I. projects throughout the country have proven the value of the original supplementary food programs under M. & I. because it reduced maternal morbidity, infant morbidity and mortality, and it has shown tremendous drives, whether it was in a large city or in a rural area in our State. It has cut it by 50 percent, so that what we are saying is that when you say administration, I guess we need to find another word other than maybe ancillary services, or what have you, and that might help us.

Senator **Dole**. Maybe we need to redefine administrative costs. They add up to have the lion's share of the funds. I recall in the House an amendment being offered at one time which said that there should never be more employees in the U.S. Department of Agriculture than farmers, and it passed. Then it was suddenly rejected. What we were trying to demonstrate was that you could have more people administering the farm program that you had farmers.

If you are going to have that in the WIC program or the food stamp program—the administrative costs in the food stamp program is up to 23 percent and probably rising—it means that there are hundreds of thousands of people who cannot benefit from that program at present funding rates because of the high administrative costs. It is not hard to build an empire. If you give someone the Federal funds, they can figure out enough people to hire.

Mrs. WILEN. I would like to recommend that you consider utilizing an additional word in conjunction with the administration. I think those other important ancillary services need to be identified.

Senator CLARK. I understand that S. 850 spells out the administrative costs, limitations, and guidelines more specifically than in the past. Also, I am advised that Minnesota has adopted a $1 million WIC bill of its own, a supplementary kind of program, even in view of the uncertainty of Federal funds. That only goes to show how progressive we are in the Midwest. [General laughter.]

Senator CLARK. The time is short. Senator Leahy, do you have any questions?

Senator LEAHY. No, Mr. Chairman.

Senator YOUNG. Could I ask a question or two?

Senator CLARK. Senator Young, I am sorry. I did not see you there.

Senator YOUNG. First, I want to followup on what Senator Dole had to say about the States and the local political subdivisions sharing in the costs. These programs are always better administered when the States and local political subdivisions have some part in the cost of it. Remember the disaster program years ago? I opposed States having to pay 10 percent of it. I thought the Federal Government should pay for all of it.

But now, since they are required to pay a small part of it, they do not declare a disaster if a little creek floods or something like that. I think you can get much better administration on the local level, so I would hope that there would be some provision like that.

But I was going to ask you, Dr. Mauer, about the malnutrition. Is that entirely with the low-income people, or do you find it in some of the middle-level people?

Dr. MAUER. There has got to be some malnutrition, I think, at any level. I think, for instance using iron deficiency as an index, which is an easy one to establish, that in the middle and upper incomes, still 5 percent of children under the age of 3 will be found to have iron deficiency anemia, so it is not exclusively part of poverty.

But it is when you get down to the low-income brackets, which goes from 5 to 70 percent that this is a group of children that are of a particular risk.

Senator YOUNG. I do not know whether you are familiar with the Human Nutrition Research Laboratory at Grand Forks, N. Dak. or not. The Department of Agriculture was interested in research dealing with trace minerals, and their effect on human nutrition. I think they had four laboratories planned altogether, a big one here at Beltsville and then three satellite labs. They conduct research on trace minerals and their role in nutrition and diet and what it can do to prevent heart attacks and many other diseases. This is something in which very little research has been conducted. It has attracted worldwide attention. It is something I am very proud of, and they are doing very well.

That is all I have.

Mrs. Wilen. I think that those of us sitting here coming from various States throughout the Nation have not said something, and I guess it goes something like this: most State legislators or legislative general assemblies have enormous amounts of pressure put upon them, and the most—unfortunate word—"popular" activity in health care is to provide institutional services after the fact, that somehow or other those of us who are trying to bring about a realization of the immense need for preventive health services as a taxpaying saving, not only at the State level, but Federal level. We need help.

I would suggest therefore that not only in WIC, of which you are studying now, would lead the way, but I do believe that this committee and the Federal Government must show the way in developing, in expanding, and helping the States, and there the powers that be, that we must begin to invest in preventive health care to minimize the high cost of constant, institutionalization.

Senator Dole. You are all very persuasive. I think you should start to work on your State legislators. We get a few pressures here too, but it is easier to come here, I guess, than to go to wherever you go.

Mrs. Wilen. But our State for the past 2 years, we have gotten our general assembly for the first time in history to appropriate over $3 million for the medically indigent and expectant mother who is not eligible for medicaid.

Senator Young. Could I make a little observation here? I have served on the Appropriations Committee ever since I have been here. I thought we were on the conservative side, but I notice the new members who are serving that Budget Committee are getting as clever as we are.

Senator Dole. That is right. It is really tough.

Senator Clark. Mrs. Wilen, I was impressed by your statistics: the fact that one-third of all Georgians live below the level of poverty, the relationship of poverty to malnutrition, and the relationship between malnutrition and to mental and physical retardation.

Is it fair to say that without S. 850 that you will have little help and relatively little hope of fulfilling the needs which you have documented here?

Mrs. Wilen. I am not speaking from a medical standpoint because I am not a physician.

Senator Clark. I understand that.

Mrs. Wilen. As one who has been involved in the grass roots level of the WIC program, as well as on the State level, I would say I have to answer yes to your question.

Senator Clark. If S. 850 is not passed, do you see much hope for fulfilling those?

Mrs. Wilen. No, sir. In fact, I think our statistics will become worse rather than better, except for the two M. & I. projects in our State, which serve there. One is in Atlanta, and one is in Augusta, Ga., and those are our only hope.

Senator Clark. Mildred Kaufman, I wanted to ask you the same question. I thought it was encouraging to hear what you have done in

Florida, both at the State and county levels, in terms of service, counseling and nutrition.

Now, do you feel that S. 850 will really fulfill the needs that you have described here; and if not, what will? Can you speak to the President's program, S. 850, and some other legislation that you have listed here? What are your feelings about that?

Ms. KAUFMAN. Well, I feel that the support in our State for WIC has come from existing public health programs directed to mothers, infants, and children, which are the backbone on which we have put the WIC program. The problem for us has been that we have had no resources to help these women buy the nutritious foods that we recommend. Without the WIC legislation we cannot do this.

Senator CLARK. Well, can you accomplish your goals if we adopt S. 850?

Ms. KAUFMAN. Yes, we can.

Senator CLARK. What are your authorized WIC caseloads now, and how close are you coming to actually reaching and serving your authorized caseloads? Do you know?

Ms. KAUFMAN. Yes. We are up to about 95 percent of our originally budgeted caseload. We have recently had some caseload increases.

Senator CLARK. How about you Mr. McManus?

Mr. MCMANUS. We are 81 percent of assigned caseloads, 12,634 out of 15,563.

Senator CLARK. And how about you, Mrs. Wilen?

Mrs. WILEN. I do not have those statistics. I am sorry.

Senator CLARK. But you do have the statistics that 19,000?

Mrs. WILEN. 19,000 out of a possible caseload of 168,000.

Senator CLARK. So that would be about 15 percent, but that is not authorized?

Mrs. WILEN. No.

Senator CLARK. I thought, Dr. Mauer, that you gave very strong evidence in support of the WIC program, particularly its relationship between physical and mental retardation and nutrition, and even though it's only 4 years of evidence, it seems most impressive to me. We have talked with the staff about trying to examine your specific recommendation in more detail so that we can be certain that it is considered in the legislation that is before us. I can assure you that your program will be considered, and we appreciate all the work that you have done on it.

Mr. McManus, you have brought a different point of view here and a valuable one. I think your testimony outlines the way in which you proceed in the State of Washington, and that will be in the record and made available to all the States that are involved in this particular nutrition program so that they can learn something from it.

Are there any other questions?

If not, thank you very much for some very enlightening information.

[The prepared statement and attachments of Mr. McManus follow:]

STATEMENT OF MIKE MCMANUS, PRESIDENT, INTERACTION, SEATTLE, WASH.

Members of the Committee, ladies and gentlemen, my name is Mike McManus and I represent a consortium of business and industry which deals with Washington State's Special Supplemental Food Program for Women, Infants and Children, commonly referred to as WIC. INTERACTION, the firm which I direct, serves as the fiscal manager for Washington State's WIC Program. I am here to present testimony in favor of continuing the WIC Program with sufficient appropriations to meet the needs of this disadvantaged population. I do not need to speak to the social implications of WIC since others have already testified of the social values of the program. Rather, I am speaking from a business viewpoint since INTERACTION and the WIC Program have close ties with the business community in Washington State.

By way of background, INTERACTION's Board of Directors and staff include prominent businessmen and women in the Puget Sound Basin, such as a vice president of Bayliner Marine Corporation, a former vice president of Leckenby Steel Company, a current president of a large fiberglass form corporation, the Vice President for Student Affairs of the University of Washington, the vice president of a large private insurance brokerage corporation, the former Washington State Director of Agriculture and former member of Congressman Brock Adams' staff, the president of a suburban community college, the principal of a Seattle high school, the vice president and assistant hospital administrator of seven large private hospitals, the President of the Washington State Council of County and City Employees AFL–CIO, and others. Our Board and staff deal daily with the business community, including the King County Economic Development Council, Seattle Chamber of Commerce, Rotary Club, Downtown Businessmen's Association, the Central business community, local private foundations and philanthropy, and many local industries.

The following testimony details the experience of WIC in Washington State, the reasons why the business community supports the program, and why we feel WIC should serve as a model for other governmental programs.

For years businessmen and women have bitterly complained about governmental "giveaway" programs. WIC, however, has the full endorsement of the business community in Washington State. From our experience, WIC represents the kind of governmental-private sector cooperation that produces more mileage for the taxpayer's dollar. The program appeals to the business community because of its businesslike approach to feeding the disadvantaged, including its extensive fiscal and clinical controls, low overhead, simplicity of operation, and minimizaton of abuses.

We feel that the success of the WIC Program in Washington State is due largely to the input, both in the planning and delivery phases, of government and private industries which have first hand experience in the fields which handle the WIC voucher. INTERACTION's fiscal management and technical assistance services are delivered in collaboration with the State Department of Social and Health Services. Other collaborating businesses include Seattle-First National Bank, a member of the Interbank system; Peat, Marwick, Mitchell and Co., a national certified public accounting firm; UARCO Business Forms, Inc., a national business form design corporation; Boeing Computer Services, Inc., an international computer design and delivery firm; the Washington State Food Dealers Association and its collaborating industries; the Washington State dairy industry; and the pharmaceutical industry. These businesses, which were catalyzed by INTERACTION and the State Department of Social and Health Services, have expressed the following views regarding the WIC Program:

The Washington State Food Dealers Association . . . strongly endorses the WIC Program. Our membership, to a store, feels the program has been well set up and is working extremely well in the State of Washington. The WIC Program supplies a definite need of all recipients. We appreciate the fact that this business is going through the proper trade channels. The WIC Program can be assured of our continued support and cooperation.—F. N. McCowan, Executive Director, Washington State Food Dealers Association.

Of all the government support programs for the needy and underprivileged, the WIC Program is one of the best for the following reasons: (1) It involves very little red tape and has minimum administrative costs. (2) It deals in food only—essential for good health and education. (3) It is much more cost effective to see that those in need have proper nutrition instead of waiting until such a time that medication, hospitalization and other institutional services are required . . . It would truly be unfortunate to see this program terminated. We at UARCO support its continuation.—John M. Cronkhite, Sales Representative, UARCO Business Forms, Inc.

. . . We are able to meet our responsibilities without special and costly handling typical of many other governmental programs . . . From a computing standpoint, the WIC Program is handled in a manner typical to many other applications we process for other customers . . . Boeing Computer Services is pleased to be of service on a program which appears to get the right type of help to people that need it, and that our participation can be provided in a standard business approach.—S. C. Beckelman, General Manager, Western District, Boeing Computer Services, Inc.

Ross Laboratories has been activitly working with WIC programs since its inception . . . We have been able to, and hope to continue to, make available our nutritional products to WIC recipients with the same high quality and respect every other customer is entitled to . . . It is our hope that WIC will coninue to provide this badly needed program to recipients throughout this country.—Coy D. Pennington, District Sales Manager, Ross Laboratories.

Mead Johnson fully supports the WIC concept. We are pleased to provide two products which can help provide adequate nutrition . . . These products and the WIC programs together help provide the nutrition and the means for delivering this nutrition to the needy infants of America.—Joseph A. Walsh, Director, Government Affairs, Mead Johnson Laboratories.

We are pleased to inform you that our experience during this past year in servicing your account has been most satisfactory. We wish you success and hope we can continue to serve your banking needs.—George Briggs, Senior Vice President, Seattle-First National Bank.

. . . The dairy farmers of the State of Washington are emphatic to the goals of the WIC Program. Dairy farmers in this state, and in other parts of the nation, have invested many millions of dollars through the years in research on the nutrition value of milk and foods made from milk. It is gratifying to us that milk and cheese have been selected as eligible foods essential to diets of pregnant women, infants, and growing children . . . We hope that you will be able to relay our endorsement of the special food program for women, infants, and children to our elected representatives in the national capital.—Bob Hallberg, Secretary-Manager, Washington Dairy Products Commission.

In summary, WIC represents a businesslike approach to governmental food delivery programs in Washington State because:

1. It contains many fiscal as well as built-in clinical and medical controls. Our computer, banking and accounting procedures follow each voucher from its delivery by the printing company through the system to its final storage. The fiscal controls include the following:[*]

(*a*) Vouchers are serially numbered by the printer.

(*b*) Vouchers issued to clinics are recorded by INTERACTION.

(*c*) Clinics sign acknowledgment of voucher receipt forms.

(*d*) Vouchers issued to clients are recorded at the clinics.

(*e*) Clients sign voucher register forms to acknowledge voucher receipt.

(*f*) Carbons of each issued voucher with client name and actual foods prescribed are returned to INTERACTION with the voucher register.

(*g*) Lost or stolen vouchers are reported by the clinics to INTERACTION.

(*h*) The computer lists the status of each voucher.

(*i*) The computer matches vouchers redeemed to vouchers issued and notes any vouchers which are cashed for 20% more than the estimated value of the food prescribed.

(*j*) Vouchers over $20.00 are voided.

(*k*) Vouchers which are exactly $20.00 as well as those which are noted by the computer to be 20% over the estimated value of the food prescribed are examined.

(*l*) A random sample is made of each week's vouchers for valid signatures and bank and computer accuracy.

The clinical and medical controls include the following:

(*a*) Clients are admitted to the WIC Program based on nutritional needs established through the initial medical evaluation performed by professional health clinic officials.

(*b*) An appointment is established for monthly visits to the clinic to determine nutritional requirements and prescribe the appropriate authorized food for the month.

(*c*) Clients are issued WIC identification cards to properly establish their identity as WIC Program recipients.

(*d*) Food is prescribed only by health clinic officials based on nutritional needs determined from medical evaluations.

(*e*) Medical evaluations are performed only by professional health clinic officials.

(*f*) Clients' nutritional progress is monitored through a medical evaluation performed six months after the clients' enrollment in the program.

---

[*] Pamphlets supplied by Mr. McManus, regarding this material, are retained in Committee files.

(g) Unissued vouchers and ID cards are safely secured at the local clinics. Although control procedures vary from state to state, we are certain that the utilization of these controls, which is mandated federally by the Department of Agriculture, Food and Nutrition Service WIC Office, provides a consistent approach throughout the 50 states, whether the states are on a direct food distribution system, food coupon system, or food voucher system, such as in Washington State.

2. Costs have been reduced to the lowest possible overhead. The system has virtually assured that 90% of all food dollars are distributed to disadvantaged women, infants and children in the form of nutrient food. No more than 10% is expended on management and administrative costs—a very modest cost percentage compared to many governmental programs. Interestingly enough, all participating organizations are able to meet their project costs and overhead. For once business and industry have not been asked to subsidize a governmental food delivery program designed for the disadvantaged. The following statistics indicate the status and success of the WIC Program in Washington State for the month of January, 1975:

Assigned caseload	15, 563
Number of active participants (81 percent of assigned caseload)	12, 634
Food dollars redeemed:	
Women (1 percent)	$2, 476
Infants (55 percent)	136, 183
Children (44 percent)	108, 947
Total (100 percent)	247, 606
Average dollars redeemed per participant	19. 59
Food dollars to clients (90 percent)	247, 606
Administrative costs (10 percent)	27, 512
Total (100 percent)	275, 118
Total dollars redeemed for fiscal year July 1, 1974 to March 31, 1975	1, 846, 068. 22

3. The simplicity of the Washington State voucher system, which is a combination food prescription form and traveler's check, provides a businesslike approach for all users of the program. Service delivery is enhanced by the efficiency and simplicity of the system. Business and industry are able to utilize their standard procedures and delivery systems in dealing with WIC vouchers. In addition, retailers and clinics are aided by the provision of supplementary retailer and clinic kits which explain WIC procedures.

4. Abuses are kept to a minimum. In less than a year, the Washington State program was geared from zero to almost 16,000 participating clientele with very minimal slippage or fraud. Any abuses are promptly detected and corrected because of the extensive checks and balances built in by our computer and accounting subcontractors.

5. Technical assistance is provided by both the State Department of Social and Health Services and INTERACTION through nutritionists in the field to assure competent delivery and minimization of problems of retailers and health service agencies.

Furthermore, the combination traveler's check-food prescription form provides a dignified approach to a food delivery program. Recipients sometimes suffer embarrassment in other kinds of governmental delivery systems. Clients and retailers understand and readily accept a food prescription form because it resembles that used by physicians and clinical personnel. The traveler's check concept is acceptable as well since most people have utilized them at some time.

Business leaders also believe that WIC is a preventive program which will have long-term benefits for society. Infants who are not properly fed cannot hope to grow into strong, active children alert to potentials offered by the private sector. Educators have long recognized that children who are not properly fed are difficult to teach. Mothers who are not properly fed seldom get off public assistance programs into the regular work force. In the long run, WIC clients stand a better chance of becoming participating, taxpaying citizens. These results, however, must await many years of performance to assure valid documentation.

The business community in Washington State believes that WIC represents a potential model for other governmental food delivery programs and perhaps other governmental programs in general which are targeted to the disadvantaged. WIC may have definite applications to many other governmental projects such as manpower delivery, the Food Stamp Program, day care services, senior citizen services, Medicare, Medicaid, *et. al.*

Before taxpayers' dollars are handed out in the form of food or services to the disadvantaged, certain determinations should be made. First, citizens willing to participate in the program should be certified by an authorized official as being truly disadvantaged. Programs which involve clinical or medical responsibility should use certified clinical or medical personnel. Once the citizens' needs and motivations have been verified, periodic checks should be made to assure responsible participation in the program. Programs delivering taxpayers' dollars to the needy should provide effective and regular accounting and auditing checkpoints. Programs which require documentation and reporting to governmental bodies should provide proper computerization and reporting systems to insure responsibility. Programs, such as WIC, which ask the private sector to participate should guarantee responsible product delivery to the private sector and fiscal return for their efforts. Government should encourage these programs to be contracted, at least in part, to the private sector because we feel that Washington State's cooperative program demonstrates low overhead coupled with maximum return for the tax dollar.

Rather than being irresponsible and inflationary, WIC is a responsible program which assists government with the attainment of greater efficiency and program quality with low overhead. In a growing population with growing needs, government is constantly asked to provide more services. To pay for these services is a continual overwhelming problem, and we can no longer rely solely on raising taxes to provide the revenue. We must increasingly look to the private sector cooperating with government to provide more efficent and responsible systems to insure more mileage for existing or diminishing funding available. The WIC Program in Washington State represents this kind of governmental-private sector cooperation and produces more mileage for taxpayers' dollars. The end results are much less participant abuse and much more serviceability.

In summary, we in Washington State ask you to continue this program and to make it into a permanent departmental service because we feel that WIC, at least its example in Washington State, represents a potential model for other governmental programs. We feel that our experience has been excellent and that our performance warrants a continuation. We are able to tell the business community that WIC is a governmental program that works, that is effective. It is a program that truly serves the disadvantaged.

We understand the fiscal constraints the members of Congress must exercise in the ever more difficult task of trying to balance our national budget. We were appalled, however, when the WIC Program was not included in the Administration's budget. We were appalled because, as we have stated, this is a governmental program that the participating business community in Washington State looks to with favor and with fervor. We feel the Administration was misadvised and hope that our testimony and the testimonies of others will convince the Administration of the significance of the WIC Program.

In conclusion, the State Department of Social and Health Services, INTERACTION, the participating private industries, over 45 health departments and local nonprofit health clinics all join me to thank you for permitting us the opportunity to develop and deliver a responsible, quality control effort. Let us continue this model.

Respectfully submitted, Mike McManus, President, INTERACTION, in consort with the following: Washington State Department of Social and Health Services, Mr. Charles Morris, Secretary, and Dr. John Beare, Director of Health Services; Washington State Food Dealers Association, Mr. F. N. McCowan, Executive Director; UARCO Business Forms, Inc., Mr. John M. Cronkhite, Sales Representative; Boeing Computer Services, Inc., Mr. S. C. Beckelman, General Manager, Western District; Ross Laboratories, Mr. Coy D. Pennington, District Sales Manager; Seattle-First National Bank, Mr. George Briggs, Senior Vice President; and Washington Dairy Products Commission, Mr. Bob Hallberk, Secretary-Manager.

WASHINGTON STATE FOOD DEALERS ASSOCIATION,
Seattle, Wash., April 9, 1975.

Mr. MIKE MCMANUS, *INTERACTION, Seattle, Wash.*

DEAR MR. MCMANUS: The Washington State Food Dealers Association which is made up of around one thousand large, medium, and small retail food stores in the state strongly endorses the W. I. C. program.

Our membership, to a store, feels the program has been well set-up and is working extremely well in the state of Washington.

The W.I.C. program supplies a definite need of all recipients. We appreciate the fact that this business is going through the proper trade channels.

The W.I.C. program can be assured of our continued support and cooperation.

Sincerely,

F. N. MCCOWAN, *Executive Director.*

UARCO, INC.,
Seattle, Wash., April 15, 1975.

Mr. MIKE MCMANUS,
c/o INTERACTION, Seattle, Wash.

DEAR MIKE: It is my understanding that the W.I.C. Program could possibly lose funding after June of 1975. If this happens, it would be a tragic mistake. Of all the government support programs for the needy and underprivileged, the W.I.C. Program is one of the best for the following reasons:

1. It involves very little red tape and has minimum administrative costs.
2. It deals in food only—essential for good health and education.
3. It is much more cost effective to see that those in need have proper nutrition instead of waiting until such a time that medication, hospitalization and other institutional services are required.

The efforts of INTERACTION to implement the W.I.C. Program in the state of Washington have been great and successful. It would truly be unfortunate to see this program terminated.

We at UARCO support its continuation.

Sincerely,

JOHN M. CRONKHITE.

BOEING COMPUTER SERVICES, INC.,
WESTERN DISTRICT,
Seattle, Wash., April 8, 1975.

Mr. MIKE MCMANUS,
INTERACTION, Seattle, Wash.

DEAR MR. MCMANUS: Our candid opinion has been asked for regarding our relationship with INTERACTION and more specifically the Women, Infants and Children (WIC) Nutrition Program.

Our relationship in its simpiest form is to provide the computing services necessary to track, reconcile and report the impact of the WIC program in the State of Washington. We accomplish this responsibility in accordance with the requirements which you have specified. Relative to our relationship with INTERACTION—we like it, primarily because we are able to meet our responsibilities without special and costly handling typical of many other government programs. As a company, we have postured ourselves to provide effective and efficient computing services and we are able to offer this to your organization without unique and costly constraints—the result is both parties benefit.

From a computing standpoint, the WIC program is handled in a manner typical to many other applications we process for other customers. Like most high volume transaction applications, we will be looking for ways to reduce the cost of data entry as the volume and economics justify.

In summary, BCS is pleased to be of service on a program which appears to get the right type of help to the people that need it, and that our participation can be provided in a standard business approach.

Very truly yours,

S. C. BECKELMAN,
General Manager, Western District.

ROSS LABORATORIES,
Columbus, Ohio, April 14, 1975.

MIKE MCMANUS,
President, INTERACTION
Seattle, Wash.

DEAR MR. MCMANUS, Ross Laboratories has been actively working with WIC programs since it's inception. We have attempted to work with WIC projects at every level.

It is our goal, along with many other people's, to affect better health through better nutrition for as many woman, infants and children as possible. We have been able to, and hope to continue to, make available our nutritional products to WIC recipients with the same high quality and respect every other customer is entitled too. In addition, we have, and expect to continue, to make available literally dozens of informational pamphlets and materials to assist physicians, perimedical people and anyone else involved with the WIC program, including the recipients, to assist in the nutritional education of pregnant woman, infants and children.

It has been my personal observation, that the recipients of the WIC projects in my district have benefited greatly from both the educational materials and nutritional products received. It is our hope that WIC will continue to provide this badly needed program to recipients throughout this country. If there is anything else I can do to be of service, be sure to let me know.

Sincerely,

COY D. PENNINGTON,
District Sales Manager.

SEATTLE-FIRST NATIONAL BANK,
MARKETING PLANNING DIVISION,
Seattle, Wash., April 11, 1975.

Mr. MIKE MCMANUS,
President, INTERACTION,
Seattle, Wash.

DEAR MIKE: We are pleased to inform you that our experience during this past year in servicing your account has been most satisfactory. While we are unable to make judgments relating to the effectiveness of the W.I.C. Nutrition Program, our view of your role as fiscal intermediary has complied with all of the agreements incorporated in our letters of December, 1973. The volume of transactions have increased more dramatically in recent months than anticipated but adequate compensation has been provided. We would hope that future coupons supplied by you will be of a more substantial quality, thereby, allowing for more efficient computer runs.

It is our understanding that you are currently renegotiating your contract with the Department of Social and Health Services and the Department of Agriculture. We wish you success and hope we can continue to serve your banking needs.

Sincerely,

GEORGE BRIGGS,
Senior Vice President.

WASHINGTON DAIRY PRODUCTS COMMISSION,
Seattle, Wash., April 18, 1975.

Mr. MIKE MCMANUS,
President, INTERACTION,
Seattle, Wash.

DEAR MR. MCMANUS: It may be helpful to you when you present testimony in Washington, D.C. in a few days to be able to say that the dairy farmers of the State of Washington are empathetic to the goals of the WIC program. Dairy farmers in this state, and in other parts of the nation, have invested many millions of dollars through the years in research on the nutrition value of milk and

foods made from milk. It is gratifying to us that milk and cheese have been selected as eligible foods essential to diets of pregnant women, infants, and growing children.

The nutritionists and dietitians on the staff of the Washington State Dairy Council, and others of us in the industry who are familiar with the program, feel that INTERACTION has done an effective job in administering the WIC program in our area for the more than 12,000 women, infants, and children who are benefited. We hope that you will be able to relay our endorsement of the special food program for women, infants, and children to our elected representatives in the national capital.

Sincerely yours,

BOB HALLBERG,
Secretary-Manager.

Senator CLARK. We are going to hear next from David Goldberg from Burlington, Vt., and I know that Senator Leahy, who is a member of this committee, has other obligations immediately and I am going to permit him, if it is all right with the committee, to ask some questions at the outset.

Senator LEAHY. Thank you, Mr. Chairman.

Senator CLARK. Mr. David Goldberg is Director of the WIC program with the Vermont Department of Health in Burlington, and before you proceed with your statement, as I said, Senator Leahy has another commitment and he would like to ask you a question or two in advance of your testimony.

Senator LEAHY. Thank you, Mr. Chairman, and I realize that we have a vote on. I might say that I am extremely pleased that Mr. Goldberg is able to be here to testify. The WIC program is run, in my estimation, very well indeed in the State of Vermont, and I feel that that is, to a large part, due to his extremely impressive stewardship of that program.

Mr. Goldberg, S. 850 provides increased funding for nutrition education and outreach programs. What kinds of programs would you be able to implement if this becomes law?

STATEMENT OF DAVID GOLDBERG, DIRECTOR, WIC PROGRAM, VERMONT DEPARTMENT OF HEALTH, BURLINGTON, VT.

Mr. GOLDBERG. Senator, I appreciate your support, by the way, for our program in Vermont. I believe our situation in Vermont, with a single statewide program under one agency, permits us some economies that are not available to some smaller projects, more local projects. I feel that we can keep our administrative costs at the present 10 percent limit.

The increase proposed in this legislation for nonfood expenses, would be devoted almost entirely to other activities; to nutrition education activities, which has been brought to the attention of this committee a number of times as an essential component to this program, that we do not have presently, and to what was referred to by the previous panelists as followup activities, to insure that we are increasing, or strengthening, the role that WIC, as a nutrition component, has, in an overall preventive health picture.

Frankly, we are not certain what is the most effective type of a nutrition education program. But we have been hearing a lot from the participants in the program who are expressing to us that they want all kinds of information. The types of information that they would like to find out more about is what are good sources of the nutrients they need.

For example, what are some alternatives they may have for getting good foods more cheaply. As I mentioned, we are not sure what would be the most effective means of getting this information across. I think we would probably try to strengthen our ties with existing agencies that are doing nutrition education.

Senator Leahy. Could you, for example, coordinate nutrition education with efforts to improve dental care for children?

Mr. Goldberg. Yes.

In Vermont the State is heavily committed to, first of all, treating, and more importantly preventing, dental disease among children. As you know, it is perhaps the most serious health problem in the State.

A survey a couple of years ago showed that about 85 percent of the children in first through fourth grades had an average of six unfilled cavities. Now our treatment program operated by the health department has been very effective, and the next stage that is being developed now is to prevent these problems; primarily through nutrition education. This is being done both by the State dental care program, which is known as the tooth fairy program in Vermont, and by a private dental care program the State dental association is involved in.

Senator Leahy. S. 850 provides for a $300 million authorization. How much of an expansion over the present program levels would this allow?

Mr. Goldberg. I am not sure how much it would allow; I have heard a number of estimates as to what it would take to continue the program as it is presently funded this year. As you know, approximately $130 million is available for this fiscal year across the country in the WIC program. The estimates that I have heard on what it would cost on an annualized rate, considering that some programs started in the middle of this year, have ranged between $195 million and $210 million—I think we are experiencing in Vermont approximately 1 percent a month rise in food costs. This is going to absorb some of the increase as proposed.

The proposals in S. 850 that would increase eligibility to children who are 4 years old, and for women to 6 months postpartum—provisions, by the way, that I support, which I think are very necessary to improve the program—are going to increase our costs; I estimate the amount to be about 25 percent.

I do not know how this would affect other States, but I think the combination of these factors is going to dilute some of the effectiveness of the proposed $300 million in terms of allowing for expansion of the program.

Senator Leahy. Thank you.

Mr. Chairman, I notice that we have less than 5 minutes to make it to the floor for a vote. I have at least two more questions for Mr. Goldberg which, with the Chair's permission, I will submit for the record, and I will assume, Mr. Goldberg, that you would be willing to submit answers to those questions.

Senator Clark. It is so ordered.

[Questions submitted by Senator Leahy to Mr. Goldberg and answers thereto:]

Question. As I understand it, WIC is based on the idea of preventing health problems with nutrition supplementation. What are some of the benefits of a preventive approach to health problems?

Answer. Senator, testimony presented to this Committee has described how nutrition intervention is a factor in preventing physical and mental birth defects and early childhood development disabilities. Mr. Stickle of the March of Dimes Foundation has described how that organization, after successfully conquering polio, has turned its energies to the prevention of birth defects. This is because some disease, while preventable, cannot be treated once the damage is done, or can only be treated with enormous effort and cost. One example that we screen for at our well-child clinics is amblyopia—lazy eye—which is much more likely correctable if detected before the child is four years old or so. The general feeling is that if amblyopia is not detected by the time the child is six or seven years old, the chances of correcting the problem are very slim.

Preventing these health problems can lead to potential savings of astronomical amounts in public spending. For example, there has been testimony that some forms of mental retardation are preventable, and that proper prenatal and early infant nutrition is an essential component of the preventive picture. In Vermont, it costs the state about $8,000 a year to provide care for a retarded person at the state training school, or about $10,000 a year in private nursing care. This amounts to between $300,000 and one half million dollars in costs over the lifetime of a person requiring such care, compared to about $300 a year that it costs us now to provide nutritional supplementation to a pregnant woman or an infant.

The Vermont Department of Mental Health, in a report prepared last year for the Vermont House Appropriations Committee on the causes and prevention of mental retardation, listed "implementation on as broad a basis as possible of the (WIC) nutrition supplement program presently being administered by the Department of Health" as a preventive approach that "could reduce substantially the incidence of mental retardation."

This is all aside from the incalculable costs to the public in welfare and corrections spending for persons whose fullest potentials have not been realized because of early deprivations. Mr. Robinson from North Dakota, who testified earlier, stated that he feels that his efforts for day care feeding are more effective than his former work with teenagers in corrections. By the time the corrections officer has contact with the youthful offender, he stated, it is too late.

Question. S. 850 provides for an authorization of $300 million for the WIC Program. How much expansion over present program levels would this allow?

Answer. I doubt whether a funding level of $300 million will allow for a great deal of caseload expansion, if any. This funding level would allow us to feed our present caseload for a while longer, as S. 850 proposes for four year old children and postpartum women.

It has been estimated, by the Select Committee on Nutrition and Human Needs and by the Children's Foundation, that the cost of serving the presently approved caseload over a twelve month period would be about $220 million. This increase over the $130 million available during the current fiscal year is due to the practice of funding new projects in the middle of or three-quarters through the fiscal year. For the next twelve months, it will require two to four times more to keep some of these projects going. This factor alone will limit how much expansion $300 million would permit.

Perhaps a look at the cost of the Vermont project will illustrate the impact of the proposed $300 million funding level. Vermont has requested $6.2 million for the coming fiscal year to serve our currently approved caseload. We would like to expand our caseload, but the Agriculture Department has asked all states to submit provisional requests based on current caseload levels. In any event, the provisions of S. 850 to extend the duration of eligibility for children and postpartum women, changes which I support by the way, will add $1,450,000 to our projected food budget. The provision to increase the non-food share from 10% to 25%, another beneficial improvement of the program, would increase our proposed budget by an additional million dollars. Together, these changes would increase Vermont's funding needs by about 40%.

I don't know whether the impact on Vermont's budget is typical for other states, Senator Leahy, but if so, then a 40% increase in cost over the present annualized spending level of $220 million would bring the total cost to over $300 million. This is why I have my doubts about whether the authorization in this bill is adequate to allow the WIC Program to serve many more participants than we currently reach.

In Vermont we estimate that nine or ten thousand more women and children may be eligible for WIC benefits, in addition to our currently approved caseload. I doubt whether we could make a significant dent in this unmet need under the proposed authorization.

Question. I notice in your prepared statement that you support the language in S. 850 that would permit more flexibility regarding which foods to make available. Why do you see this flexibility as being needed?

Answer. There is a tremendous degree of variation from family to family in the makeup of the diet, and as much variation from infant to infant in the development of diet patterns. If the WIC Program is going to be successful in supplementing diets, then there must be flexibility to reflect this reality.

While the food package that the USDA has come up with is, in my view basically very sound, we would not adhere to it as rigidly as we have been directed to by the federal agency. I would propose that, on the federal level, requirements be established as to what percent of a woman or infant's RDA for various nutrients be provided, and leave it to professionals on the local level to decide which particular foods would do the job best. It would certainly be appropriate for the USDA to share the benefit of its expertise by suggesting various food packages that would meet these requirements, but for these food packages to be considered immutable, as is the case now, leads to problems.

For example, current regulations lead to our requiring formula for infants who cannot use it, while on the other hand regulations prevent us from making available formula to children over one year old who require it. This does not serve the purpose of the program.

Another example is how cereals are chosen by USDA as allowable for distribution in the WIC Program. They are selected solely on the basis of iron content. This has severely limited the variety of cereals available, and as a consequence necessarily leads to reduced amounts of cereals consumed. This also does not serve the purpose of WIC.

Just this past Autumn, new Food and Drug Administration labelling requirements resulted in cereal manufacturers reducing the iron content in a number of products. As a result, there are now only five cereals that meet the USDA standard for iron content for the WIC Program. One of these cereals we refuse to distribute in Vermont because of its excessive sugar content; we feel that distributing this cereal—King Vitamin—would shoot holes in our efforts to treat and prevent dental disease which is rampant among Vermont children. Three of the other cereals available are actually geared to the RDA levels of children four years or older.

I cite these examples to point out how well-intentioned federal guidelines, when administered inflexibly as they have been, lead to practices which actually interfere with our stated goals. I believe the language in S. 850 would address these problems.

Senator CLARK. The committee stands in recess. We will return right after the vote.

[A brief recess was taken.]

Senator CLARK. The committee will come to order.

We are going to come back to David Goldberg following this panel. I know that Senator McGovern wanted to visit with him, and he will be coming in shortly.

[Mr. Goldberg's testimony resumes on p. 233.]

Senator CLARK. Now we are going to hear now from Harold Poore, day care specialist, Division of Community Services, Iowa Department of Social Services of Des Moines, as well as Mr. Edward Ellis, executive director, Kentucky Youth Research Center, Frankfort, Ky., and George M. Robinson, State day care supervisor, Child Welfare Services, Social Service Board of North Dakota, Bismarck.

Gentlemen, each of you will have 10 minutes. We will start with Mr. Poore, and then Mr. Ellis and Mr. Robinson.

STATEMENT OF HAROLD POORE, DAY CARE SPECIALIST, DIVISION OF COMMUNITY SERVICES, IOWA DEPARTMENT OF SOCIAL SERVICES, DES MOINES, IOWA

Mr. Poore. Thank you Senator Clark.

My name is Harold Poore and I am day care unit director for the Iowa Department of Social Services. I am here today on behalf of children in child care centers, Head Start programs, and the many children in family day care homes.

I wish to thank the committee for the opportunity to testify at this hearing in support of Senate bill 850. My main reasons for supporting S. 850 is because of the kind of nutrition programs that it could provide children in their formative years, and especially those from low income families.

The plan for reimbursement of snacks and meals would also have positive benefits in the operation of centers and family day care homes. This is especially important to infants, toddlers and preschoolers because, by and large, we have deserted the kids from the time they are born until they are old enough to enter kindergarten or first grade. And this is essentially the situation unless a child is fortunate enough to get in a Head Start program or in a good child care center program.

In Iowa we have 671 licensed preschool and child day care centers with a licensed capacity of 19,184. The Child Nutrition Programs Division of the Iowa Department of Public Instruction has provided us with some projected special food service program statistics.*

The estimated daily attendance of children participating in this program is 11,197 at 185 different facilities. The projected Federal reimbursement for snacks and meals for fiscal year 1975 is $476,770. Reimbursement for nonfood assistance is projected at $50,000. Total value for USDA donated commodities is projected at $17,686. This is a projected total to Head Start programs and child care centers of $544,456 in fiscal year 1975.

Now then, in comparison and using the current program figures and the new proposed reimbursement formulas, the projected Federal reimbursement would be $955,595 for snacks and meals, $95,000 for nonfood assistance, and $93,091 for commodities, for a total of $1,098,686. The Federal reimbursement for just the current program level would almost double under S. 850.

This proposed system of reimbursement would be of assistance to a center's operation under a very limited budget, and especially in an inflated economy. The new proposed system would also be helpful in helping new centers get under way.

The performance funding that would be provided for under this bill would also allow for growth in numbers of centers and the number of children that could be served.

At this point I would like to say that I cannot see any benefit to implementing the USDA's proposed block grant approach. It would simply be a disasterous retreat from current program levels of operations, and it would absolutely prevent any expansion or any new program efforts at meeting the nutritional needs of children.

---

*See attachments A and B, pp. 210–211.

Generally when we talk about child care or day care programs, we are usually referring to child care centers. The children that are overlooked or forgotten are those cared for in family day care homes. Even a review of materials from OCD, or from any publishing house, will generally relate to center care rather than family day care. This is even true of the current food reimbursement program for centers that excludes family day care homes.

In Iowa we have 1,268 licensed family day care homes that have a capacity to serve about 5,000 children. These are voluntarily licensed homes. If the Iowa General Assembly passes legislation to provide for mandatory registration of family day care homes—which was voted out of the committee yesterday—a very conservative estimate would be 5,000 homes with a capacity to serve about 20,000 children.

Under the current program none of these homes are allowed to participate, and consequently, none of the children are allowed to benefit from the food reimbursement program.

Under S. 850, suppose a family day care home received only $65 per month per child in tuition, and then received $23.94 per month Federal reimbursement for each child.[1] In this example, the $23.94 could make a tremendous difference in the nutrition program for that child and to the day care home mother's budget.

Family day care becomes a major concern when we discuss nutrition because more day care is provided in this kind of setting than any other. Beyond this, family day care is the major provider for infants and toddlers. One reason is because the majority of centers are not equipped or staffed to care for these children.

Another reason is that usually family day care is more conveniently provided in the same neighborhood where the working parent lives. This is not infrequently a low income neighborhood where noon lunches may not provide adequate nutrition for development of the child.

For some comparative figures between center and family day care, we might look at the WIN program. The most recent statistics released from HEW for the quarter ended September 30, 1974.

As of that date, the Iowa WIN program had 735 children in family day care, and only 169 in center care. And to expand that geographically, for region 7—which includes Iowa, Missouri, Kansas, and Nebraska—there were 1,676 children in family day care and 535 in center care.[2]

Along this same line it should be pointed out that family day care is definitely the greatest resource for care in rural Iowa, and in rural areas of other States. And even in our cities and towns, family day care is a major resource for child care.[3]

For example, in Des Moines and Polk County, we have 500 licensed family day care homes. All of the children we have talked about in the work incentive program, and many of the children of working parents, come from low-income families where food costs may be extremely high and where diet, in many cases, may consist only of carbohydrates.

Consequently, as discussed under this bill, family day care homes is an area where we can reach many infants, toddlers, and preschoolers with a food reimbursement program and provide them with an adequate and nutritious diet. Not only is this important in terms of diet and nutrition, but it is important to the provider who may be receiving a minimal fee for caring for children and cannot afford the proper kinds of foods for snacks and lunches.

---

[1] See attachment C, p. 211.
[2] See attachment D, p. 212.
[3] See attachments E and F, pp. 214–215.

In closing we can only repeat that the effects of a balanced diet with adequate nutrition has a profound effect on the development of a child in its formative years, whether they are in centers or family day care homes. For all these children, we must be supportive of this legislation.

And with that, I thank you very much.

Senator CLARK. Thank you very much.

As I understand your statement, you are saying that S. 850 would help meet a large unmet need in the State of Iowa, as well as the rest of the country, and you are speaking strongly in support of that legislation.

Mr. POORE. That is right.

Senator CLARK. It is interesting—I just asked for the figures about what the S. 850 with all of the amendments now would actually cost the Federal Government to try and fulfill the needs that the people today have talked so much about. The total cost is about $500 million over and above what we are now spending on nutrition programs.

Now, I certainly share the view that has been expressed here this morning that in a time of great economic pressure that we be cautious about new spending programs, but I am disturbed that while we are talking about how tight we have to be on these nutrition programs—and these nutrition programs are the most basic kind of right we could have, namely to feed people and to avoid mental and physical retardation—that at the same time the President can come to the Congress and say, "give me some $722 million additional for the next 6 weeks for military aid to Vietnam." It seems to me that if we can be talking about programs of that kind, then certainly we could afford the kind of money we are talking about for S. 850—the McGovern bill—for a basic child nutrition program.

Mr. POORE. I would certainly hope so.

Senator CLARK. I would hope so too. Now that we have saved that $722 million I think we should be able to put some of it into the most basic kind of American right—the right not to be hungry and not to suffer permanent physical and mental disabilities because of that lack of nutrition.

[The attachments to Mr. Poore's statement follow:]

ATTACHMENT A

CHILD NUTRITION PROGRAMS DIVISION, IOWA DEPARTMENT OF PUBLIC INSTRUCTION

Special food service program (nonprofit, nonresidential child-care institutions)

Number of sponsors approved as of March 1, 1975	103
Number of sites approved as of March 1, 1975	185
Average daily attendance as of March 1, 1975: (estimate)	11,197
Number of meals served (projected for fiscal year 1975):	
Breakfast	354,555
Lunch	809,227
Suppers	15,307
Supplements (a.m. and p.m.)	1,242,409
Total meals	2,421,498

Federal reimbursement (projected for fiscal year 1975):	
Breakfast	$59, 692
Lunch	272, 474
Suppers	5, 149
Supplements (a.m. and p.m.)	139, 455
Total Federal reimbursement	476, 770
Nonfood assistance Federal reimbursement (projected for fiscal year 1975)	50, 000
Commodities: 1⅓ cents per meal	17, 686
Total	544, 456

ATTACHMENT B

CHILD NUTRITION PROGRAMS DIVISION, IOWA DEPARTMENT OF PUBLIC INSTRUCTION

SPECIAL FOOD SERVICE PROGRAM, S. 850 PROJECTIONS BASED ON CURRENT PROGRAM FIGURES

	Number	Cents	Amounts
Federal reimbursement:			
Breakfast, all	354, 555	9. 25	$32, 796
Breakfast, free	354, 555	23. 25	82, 434
Lunch, all	809, 227	11. 75	95, 084
Lunch, free	809, 227	52. 50	424, 844
Suppers, all	15, 307	11. 75	1, 799
Suppers, free	15, 307	52. 50	8, 036
Supplements (a.m. and p.m.), all	1, 242, 409	5. 00	62, 120
Supplements (a.m. and p.m.), free	1, 242, 409	20. 00	248, 482
Total (A)			955, 595
Nonfood assistance (B)			95, 000
Commodities:			
Breakfast	354, 555	3	10, 637
Lunch	809, 227	10	80, 923
Suppers	15, 307	10	1, 531
Total commodity value (c)			93, 091
Total (A) plus (B) plus (C)			1, 098, 686

ATTACHMENT C

Examples of reimbursement for family day care homes under S. 850

Snacks and Meals:	
2 snacks at 25 cents each and one meal at 64 cents per child	$1. 14
$1.14 times 21 days (1 month)	23. 94
$1.14 times 180 days	205. 20
Commodities: 180 days (meals) at 10 cents per child	18. 00
Projected example:	
I. 1,268 currently licensed homes with 5,000 children times $205.20	1, 026, 000
Commodity value for 5,000 children times $18	90, 000
Projected total	1, 116, 000
II. Under proposed legislation, an estimated 5,000 homes with 20,000 children times $205.20	4, 104, 000
Commodity value for 20,000 children times $18	360, 000
Projected total	4, 464, 000

ATTACHMENT D

CHILDREN RECEIVING CARE IN DAY CARE FACILITIES, BY TYPE OF FACILITY, BY AGE GROUP, AND BY STATE, AS OF THE LAST DAY OF THE QUARTER ENDED SEPT. 30, 1974

State	Total, children receiving care in day care facilities			Type of facility								
				Family day care home			Group day care home			Day care center		
	Total	Under 6 years of age	6 through 14 years of age	Total	Under 6 years of age	6 through 14 years of age	Total	Under 6 years of age	6 through 14 years of age	Total	Under 6 years of age	6 through 14 years of age
Total	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)
Alabama	550	458	92	257	187	70	4	4	0	289	267	22
Alaska	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)
Arizona	1, 096	807	289	370	262	108	0	0	0	726	545	181
Arkansas	537	273	264	395	203	192	0	0	0	142	70	72
California	1, 961	1, 152	809	936	536	400	81	34	47	944	582	362
Colorado	510	337	173	330	190	140	1	1	0	179	146	33
Connecticut	1, 256	775	481	1, 063	613	450	0	0	0	193	162	31
Delaware	160	135	25	28	22	6	9	7	2	123	106	17
District of Columbia	911	811	100	158	144	14	0	0	0	753	667	86
Florida	1, 892	1, 210	682	715	266	449	38	14	24	1, 139	930	209
Georgia	1, 086	726	360	156	81	75	37	31	6	893	614	279
Guam	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)
Hawaii	164	68	96	100	33	67	0	0	0	64	35	29
Idaho	370	263	107	211	147	64	13	8	5	146	108	38
Illinois	4, 032	(²)	(²)	3, 343	(²)	(²)	(²)	(²)	(²)	689	(²)	(²)
Indiana	346	257	89	194	121	73	7	6	1	145	130	15
Iowa	911	575	336	735	429	306	7	4	3	169	142	27
Kansas	293	106	187	153	55	98	140	51	89	0	0	0
Kentucky	305	183	122	167	93	74	0	0	0	138	90	48
Louisiana	534	276	258	272	95	177	262	181	81	0	0	0
Maine	132	97	35	87	58	29	5	3	2	40	36	4
Maryland ³	372	282	90	147	93	54	12	12	0	213	177	36

Massachusetts	891	495	396	466	183	283	0	0	0	425	512	113
Michigan	1, 460	933	527	857	422	435	18	11	7	585	500	85
Minnesota	869	495	374	680	338	342	23	10	13	166	147	19
Mississippi	368	294	74	128	80	48	27	17	10	213	197	16
Missouri	820	482	338	574	338	236	0	0	0	246	144	102
Montana	520	398	122	371	275	96	0	0	0	149	123	26
Nebraska	346	149	197	214	80	134	12	12	0	120	57	63
Nevada	167	90	77	120	59	61	0	0	0	47	31	16
New Hampshire	115	67	48	64	34	30	9	5	4	42	28	14
New Jersey	5, 629	2, 786	2, 843	2, 778	1, 332	1, 446	0	0	0	2, 851	1, 454	1, 397
New Mexico	216	171	45	130	90	40	7	7	0	79	74	5
New York	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
North Carolina	490	345	145	42	32	10	10	8	2	438	305	133
North Dakota	132	118	14	98	85	13	12	12	0	22	21	1
Ohio	1, 441	748	693	864	400	464	17	5	12	560	343	217
Oklahoma	505	283	222	108	42	66	4	4	0	393	237	156
Oregon	1, 402	889	513	928	529	399	22	11	11	452	349	103
Pennsylvania	1, 515	699	816	949	361	588	80	42	38	486	296	190
Puerto Rico	84	50	34	56	32	24	0	0	0	28	18	10
Rhode Island	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
South Carolina	149	113	36	34	13	21	9	9	0	106	91	15
South Dakota	376	275	100	298	207	91	0	0	0	78	69	9
Tennessee	521	351	170	226	142	84	41	27	14	254	182	72
Texas	1, 348	940	408	88	56	32	0	0	0	1, 269	884	376
Utah	1, 134	832	302	677	462	215	0	0	0	457	370	87
Vermont	178	99	79	89	42	47	8	4	4	81	53	28
Virgin Islands	6	6	0	6	6	0	0	0	0	0	0	0
Virginia	970	598	372	598	346	252	1	1	0	371	351	120
Washington	742	441	301	485	264	221	4	1	3	253	176	77
West Virginia	436	213	223	375	160	215	61	53	8	0	0	0
Wisconsin	1, 845	1, 367	478	1, 114	736	378	45	38	7	686	593	93
Wyoming	149	114	35	91	65	26	18	12	6	40	37	3

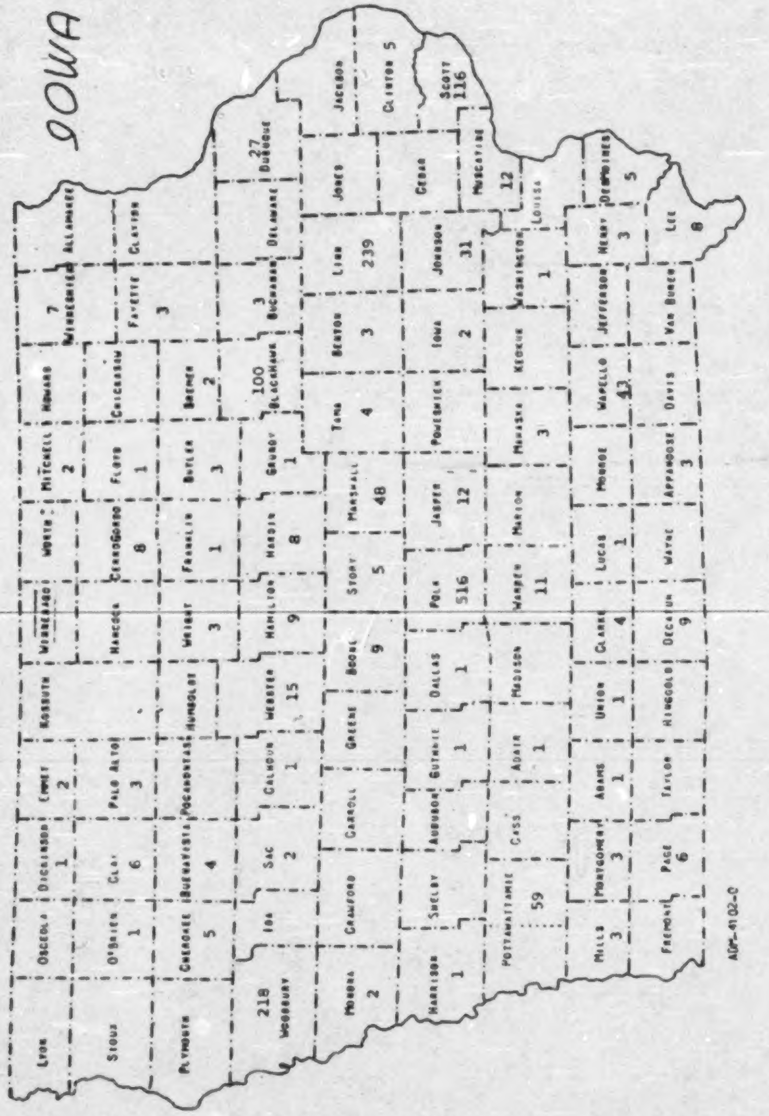
---

[1] National totals not available because data not reported for New York, Rhode Island, Alaska, and Guam.

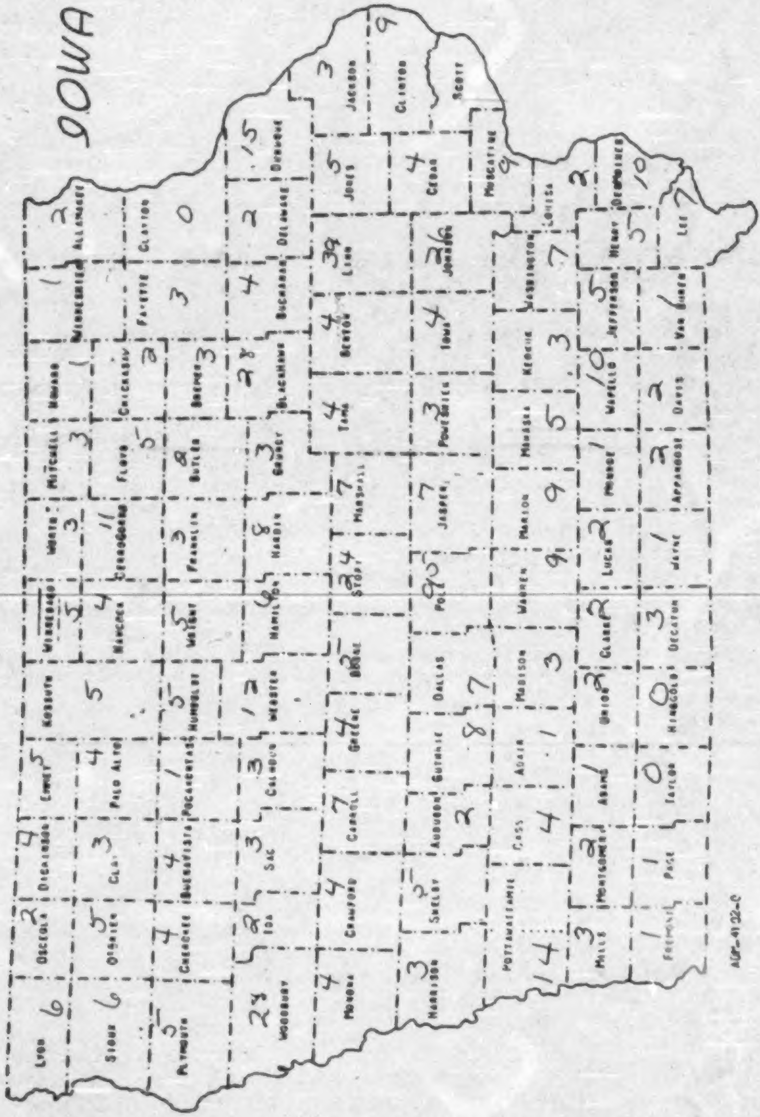
[2] Data not reported.

[3] Data incomplete: do not include Baltimore City.

ATTACHMENT E.—1,268 LICENSED DAY CARE HOMES, JANUARY 1, 1975


IOWA
Lyon
Osceola
Dickinson 1
Emmet 2
Kossuth
Winnebago
Worth
Mitchell 2
Howard
Winneshiek 7
Allamakee
Sioux
O'Brien 1
Clay 6
Palo Alto 3
Hancock
Cerro Gordo 8
Floyd 1
Chickasaw
Fayette 3
Clayton
Plymouth
Cherokee 5
Buena Vista 4
Pocahontas
Humboldt
Wright 3
Franklin 1
Butler 3
Bremer 2
Black Hawk 100
Buchanan 3
Delaware
Dubuque 27
218 Woodbury
Ida
Sac 2
Calhoun 1
Webster 15
Hamilton 9
Hardin 8
Grundy 1
Tama 4
Benton 3
Linn 239
Jones
Jackson
Monona 2
Crawford
Carroll
Greene
Boone 9
Story 5
Marshall 48
Cedar
Clinton 5
Harrison 1
Shelby
Audubon
Guthrie 1
Dallas 1
Polk 516
Jasper 12
Poweshiek
Iowa 2
Johnson 31
Muscatine 12
Scott 116
Pottawattamie 59
Cass
Adair 1
Madison
Warren 11
Marion
Mahaska 3
Keokuk
Washington 1
Louisa
Mills 3
Montgomery 3
Adams 1
Union 1
Clarke 4
Lucas 1
Monroe
Wapello 13
Jefferson
Henry 3
Des Moines 5
Fremont
Page 6
Taylor
Ringgold
Decatur 9
Wayne
Appanoose 3
Davis
Van Buren
Lee 8
ADM-4102-0

ATTACHMENT F.—LICENSED DAY CARE AND PRESCHOOLS: TOTAL: 671. CAPACITY: 19,184—JANUARY 1, 1975


IOWA
Allamakee 2
Winneshiek 1
Howard 1
Mitchell 3
Worth 3
Winnebago 5
Kossuth 5
Emmet 5
Dickinson 4
Osceola 2
Lyon 6
Clayton 0
Fayette 3
Chickasaw 2
Floyd 5
Cerro Gordo 11
Hancock 4
Palo Alto 4
Clay 3
O'Brien 5
Sioux 6
Bremer 3
Butler 8
Franklin 3
Wright 5
Humboldt 5
Pocahontas 1
Buena Vista 4
Cherokee 7
Plymouth 5
Dubuque 15
Delaware 2
Buchanan 4
Black Hawk 28
Grundy 3
Hardin 8
Hamilton 6
Webster 12
Calhoun 3
Sac 3
Ida 2
Woodbury 24
Jackson 3
Jones 5
Linn 39
Benton 4
Tama 4
Marshall 7
Story 24
Boone 2
Greene 4
Carroll 7
Crawford 4
Monona 4
Clinton 9
Scott
Cedar 4
Johnson 26
Iowa 4
Poweshiek 3
Jasper 7
Polk 90
Dallas 7
Guthrie 8
Audubon 2
Shelby 2
Harrison 3
Muscatine 9
Louisa 2
Washington 7
Keokuk 3
Mahaska 5
Marion 9
Warren 9
Madison 3
Adair 1
Cass 4
Pottawattamie 14
Des Moines 10
Henry 5
Jefferson 5
Wapello 10
Monroe 1
Lucas 2
Clarke 2
Union 2
Adams 1
Montgomery 2
Mills 3
Lee 7
Van Buren 6
Davis 2
Appanoose 2
Wayne 1
Decatur 3
Ringgold 0
Taylor 0
Page 1
Fremont 1
AGP-4122-0

Senator CLARK. Thank you. Senator McGovern has arrived.

Senator McGOVERN. I came to relieve you.

Senator CLARK. Good. This panel, Senator McGovern, is made up of Mr. Poore, Mr. Ellis, and Mr. Robinson. Mr. Poore already has spoken, and the other two have yet to speak. We are going to Mr. Goldberg and then through the list.

So I leave you in good hands. Thank you very much, Senator McGovern.

Senator McGOVERN [presiding]. All right, then I can proceed then with the next witness. I am sorry that I was unable to be here this morning, but as you gentlemen know, we have committee assignments that sometimes conflict. We have to divide our time.

STATEMENT OF EDWARD ELLIS, EXECUTIVE DIRECTOR, KENTUCKY YOUTH RESEARCH CENTER, FRANKFORT, KY.

Mr. ELLIS. I am Edward Ellis. I am the director of the Kentucky Youth Research Center, a private, nonprofit organization, and I want to thank the committee for this opportunity to testify for this Senate bill 850.

Our organization operates a large portion of the Head Start centers in the most rural Appalachian areas in isolated counties of east Kentucky where the average per capita annual income is roughly $1,568, an amount well below the national poverty guidelines and the average family income in this area is roughly $3,098. Of the 3,141 counties in the Nation, one of our counties ranks 3,140, which is second, and another ranks 3,138, which is the fourth poorest county, a dubious honor, I assure you, but one that points up the tremendous needs for these very isolated poor that we serve.

The research center serves 940 children and their families through Head Start and its 27 child development centers and through its health and social services program which focuses on the child's family, provides the vital link between the center and the home while these preschool children are being introduced to good health, nutritional, and physical development at the center.

The health and social services staff encourages and helps the parents to carry over these practices in the child's own home. Parents are further encouraged to visit and volunteer in the centers and to become familiar with what their children are learning.

Now, here is where the real needs are with these families and with these children. In addition to the Head Start program that we have in our private, nonprofit organization, we also have a large Appalachian Regional Commission child development program, funds granted to Kentucky for the operator of another similar early childhood development program in east Kentucky, which serve 1,203 children in 49 child development centers. This program serves several categories of children, those unable to pay, those who pay a fee, including children of working mothers, and a limited number of purchase-of-care services for children from the State categorical assistance programs.

In addition to the actual operation of these early childhood programs our organization offers training, technical assistance, and monitoring services, and we subcontract with six locally operated agencies in seven additional counties, making a 20-county area in Appalachian eastern Kentucky. Kentucky as a whole of course has other full year Head Start programs, 28 and 30, summer Head Start programs. All these programs strive to stimulate children's mental and physical potential and to thus enrich their present and future lives.

A good nutritional program such as is basic in the bill proposed, S. 850, is a very vital one since our agency has witnessed that working with children in the centers who are so malnourished and listless that they could not be stimulated by anything except food, and over a period of time and after a few nourishing meals in the center, many times the only meals they received during the day, they did become interested in center activities. They began to look healthy, be curious, and enjoy life as children should.

The research center became a participant in the special food services program about 4 years ago, and these are points that I particularly wanted to make, as a citizen and particularly as a director for a large system and agency because we did not know about this program. No dissemination of information was ever given. We did not understand that we were eligible, but it was only after much discussion that I found that under the USDA act that we were eligible, and we applied—and we were one of the first Head Start programs and child development programs in the country to have received reimbursable food costs at an early time.

It was only later that the other national Head Start programs were also allowed to receive reimbursement, and as of September 1, 1974, we are being reimbursed by the State at 78 cents per child per day, based on the average daily attendance, which represents 18 cents for breakfast, 36 cents for lunch, and 12 cents each for two snacks.

Prior to September 1974, the amount per child was only 65 cents. This program, along with the U.S. Department of Agriculture food program represents approximately $209,898 in reimbursements for costs and $25,491 in donated foods to our static budget these last few years.

These amounts do not begin to pay for the actual expenses involved in a good nutritional program. Present reimbursable costs do not pay for salaries, space, and nonfood consumable items, such as napkins, cleaning and janitorial supplies. Senate bill 850 will go a long way toward helping to meet these rising costs and meet the needs, especially in the area of services or equipment that are so important to continue nutritional needs and services. The funds from this Senate bill if given to us will make it possible for us to do an adequate job in preparation, storage, maintenance, and handling of foods.

Also, it will make it possible for the first time to relieve other portions of static budget in the spiraling inflationary economy. This bill, S. 850, in a widespread rural system such as ours go unnoticed many times. Such other centers, particularly single center operations and family care centers are never informed about what they may or may not be eligible for. It would be our hope that there would be something included in this bill to help make this dissemination and do monitoring and followup.

This calls for some, I understand, additional thoughts being given to the bill. Special food services program and commodity food program has not only improved the health and nutrition of the children but through parent involvement in the program, which is our main thrust in this area, has allowed the program to enable the health social services and center staff to share nutritional information with parents in a more meaningful way.

The Kentucky Youth Research Center is a large system, as I said before, and through its several Head Start centers and 10 years' experience, it has learned over the years to seek out sources of relief for a budget that has not increased while costs in every area of the program have increased. The programs with a single center as their base of operations and limited additional health and social services components are limited by no access to this kind of dissemination of needed information regarding good nutritional or food service programs.

If Head Start, as well as any other child care program, is to reach the goals and follow the guidelines set by the Federal Government, with no increase in funds to meet rising costs, a more efficient method of information dissemination regarding fund resources, such as special foods services program, is needed.

All Head Start programs, large and small, should be kept informed as to where the resources are and how to tap them. The approach used by our Agency in encouraging good nutrition in both centers and homes has been beneficial to the people reached in our program, though these benefits are only limited by our financial inability to expand into other areas of need. Our program only reaches approximately 20 percent of the families in the 20 county areas in which we serve. There are 80 percent that are still in need. It is not because the demand is not there. It is, but there are no funds to expand the program.

I would stop here only to say that with the rising food prices even our participation in the special foods services program did not ease the financial situation because of the limited reimbursable cost and did not help us in any way other than to move very little money to meet some of the basic program services.

In the future if Senate bill 850 is passed, the reimbursable cost for food services should be based on the Consumer Price Index as provided in the bill. I feel that the Senate bill on the National School Lunch and Child Nutrition Acts would greatly benefit children and families served in all Head Start, day care, and child development programs across this Nation, and I strongly urge its passage.

Senator McGOVERN. Thank you very much, Mr. Ellis. We appreciate your testimony.

I was impressed with what you said about not knowing about the existence of the program to help Head Start children. Is there no real outreach effort being made to acquaint people with the availability of this food program?

Mr. ELLIS. No; there had not been in our particular State, and it was only at a guideline directed from the Office of Child Development to Head Start programs that many programs learned about it. I was just fortunate in having been in the position of having friends who worked with State agencies who alerted me to the fact, and then even after a couple of years of fighting, we were finally approved. It took me roughly 2 years to get it through.

Senator McGOVERN. I was impressed with the observation that you made, which so many other witnesses have made before this committee in the last 5 or 6 years, and that is the impossibility of really stimulating children that are malnourished and listless and underfed.

I remember some years ago the Dean of the University of Georgia made the observation that the school lunch program and other child feeding programs, in his opinion, had done more to advance the education and economic development of the South than any other single Federal program. He explained it in these terms: There were hundreds of thousands of children in the South, and I suppose that it true of other parts of the country prior to the development of these child nutrition programs, who never really had an opportunity to develop, either emotionally or physically or mentally because of malnutrition, and if you even get a handful of young people whose lives are turned around by adequate diets and maybe develop into leaders and creative people, it makes this whole effort worthwhile.

Mr. **Ellis**. That, sir, is one of the very strong points, that I think we should say for Head Start because how can you expect children to begin with a head start when they are so concerned with where the next meal comes from. They cannot become involved.

Senator **McGovern**. Mr. Ellis, we will come back to you right after this rollcall. We will recess for about 10 minutes.

We have a problem on time. We have to complete the hearings by 1 o'clock, and we have eight or nine people who have not yet been heard from. The only formula I can think of is to ask each person to summarize the highlights of their prepared statement and then submit the full statement for the record.

Because of these time constrictions, we will have to submit questions in writing on matters we want to interrogate the witnesses about, and give you a couple of weeks to reply.

I do not know any other way we are going to be able to meet this 1 o'clock deadline. I will be back just as quickly as I can, and I will try not to be gone more than 7 or 8 minutes.

[A brief recess was taken.]

Senator **McGovern**. The committee will be in order. We are now ready to hear Mr. Robinson.

Mr. **Robinson**. Thank you, Mr. Chairman.

STATEMENT OF GEORGE M. ROBINSON, STATE DAY CARE SUPERVISOR, SOCIAL SERVICE BOARD OF NORTH DAKOTA, BISMARCK, N. DAK.

Mr. **Robinson**. I am George Robinson from North Dakota, representing the North Dakota Social Service Board and other interested groups and individuals in North Dakota involved in day care. I am very pleased to be able to come before your committee, and talk about this bill. For the sake of time I am going to stay away from my written testimony and just briefly give some summary remarks in regard to the bill.

Senator **McGovern**. We will make your full statement part of the record.

Mr. **Robinson**. Thank you.

First, all the things that the previous two speakers have said I would totally agree with; most importantly, the importance of nutrition for the growing child. This, in my estimation, should also go without saying.

Secondly, in North Dakota, we are a very rural State, and I would agree with Mr. Ellis' statement in regard to the public's awareness of this program. I first became aware of it only by coincidence through a contact in SRS, and was told that if we wanted information we could call Dallas. Well, North Dakota is rural, but there are no two towns in the State that are 3,000 miles apart, and Dallas is 3,000 miles away, and that is a long way to go for information about a program.

No agency in this State is directly involved in the program. Providers who want to participate in the current program need to directly deal with the regional office in Dallas and that creates a hardship and a hindrance. Some programs are, however, using the current program. All of the programs that I contacted prior to coming here to testify are very much in favor of Senate bill 850. They are familiar with what it proposes to do and they very strongly support it.

Senator McGovern. In this connection, Mr. Robinson, do you know know why the State health department does not get involved or what the rationale is for that?

Mr. Robinson. Mr. Chairman, I believe that the reason for the State health department not getting involved has to do with State law in terms of handling certain types of money where different types—for example, private versus public—of facilities are involved. I know that this is why the department of public instruction through their school lunch program does not pick up on this and provide that service to any facility other than the public schools. Even the private schools are not serviced by the program.

One suggestion that I would make to the committee in regard to the legislation, is that there be some provision in S. 850 when it is in final form, that provides for some statewide group, to make application and receive funds on behalf of centers, family day care homes and so forth. This is important in North Dakota because again being a rural State, 75 percent of the care provided to children in our State is provided in family day care homes.

Under the proposed act, S. 850, these homes would be open or eligible for this food assistance. I would question, however, under the current legislation if they would be able or know how to participate in the program. Even the centers have had a difficult time, and they are much more familiar with the programs.

I can't envision 1,000 family day care mothers writing to Dallas and asking how do we participate in this program? So what I am saying is this would be much better to have the possibility of a, say a State day care association processing the applications of these family day care homes to participate in the program. That would significantly expand the program to reach children that really need it in the State. Family day care homes service the rural areas such as the Indian reservations where there is a real need for supplemental nutritional programs.

And finally, the remark was made, Mr. Chairman, in regard to monetary priorities, where do we get money in times when money is tight? And I would simply say that prior to working in day care I was in corrections, and I saw in a sense the futility of trying to work with a problem that was 17 years old or 18 years old; it was a little too late. And I would say that we are better to spend our money on programs like this that are preventative in a great part, and alleviate a lot of those problems before they develop to such an extent that we cannot successfully deal with them.

In summary, I would simply say that I talked with and was talked to by a great number of people in the State prior to coming down to testify, people who ran day care centers, people who ran family day care homes, day care associations, representatives of State departments, public instruction, health, our own department; and everyone, and I repeat, everyone that I talked to was very much impressed by the legislation and in favor of its passage.

Senator McGovern. Well, thank you very much, Mr. Robinson. We may have some followup questions that we will want to submit to you and your associates. I wish we had more time to go into them today, but we do appreciate your testimony.

Mr. Robinson. Thank you, Senator.

[The prepared statement of Mr. Robinson follows:]

STATEMENT OF GEORGE M. ROBINSON, STATE DAY CARE SUPERVISOR, SOCIAL SERVICE BOARD OF NORTH DAKOTA, BISMARCK, N. DAK.

Mr. Chairman and Members of the Subcommittee: I am indeed pleased that I am able to come before your Subcommittee to testify on Senate Bill 850. It is my intention to present the reasonable concerns of the Social Service Board of North Dakota, and other similarly interested groups and individuals, which comprise what might well be called the North Dakota "day care community".

I sincerely hope that the information which I will present, either verbally or in writing, will prove of value to you in your deliberation on this important legislation. I am here in support of the bill and those objectives it purports to achieve if passed.

As the State Day Care Supervisor for the Social Service Board of North Dakota, my primary interest, of course, revolves around those provisions of Senate Bill 850 which have a direct bearing on the day care program in the State.

In this regard, there are four primary facets of this proposed Act which would have significant positive impact on the North Dakota "day care community".

First, the bill would provide for Federal financial participation in reimbursements for breakfasts, lunches and suppers served in the eligible institutions and facilities; and second, the bill increases reimbursements for these purposes over current funding levels.

Third, the Senate Bill 850 would extend the benefits of the Special Food Service Program to family day care homes by amending the National School Lunch Act as provided in Section 16 of the proposed Act.

Fourth, the bill makes funds available for nonfood assistance.

It would be difficult, if not impossible, for anyone to argue against the importance of good nutrition for a growing child. Even though I am not a Nutritionist, either by training or vocation, I would not feel the least bit out of line stating that good nutrition is one of the most important elements of quality day care. Poor nutrition affects not only the physical functioning of the child, but the mental functioning as well.

Nutrition relates directly to the total child. Day care directs itself at providing supplemental parental child care to the total child, and thus, must have a sound nutritional component. The fact that the proposed legislation would assist day care facilities in providing a sound nutritional component through federal financial participation in the provision of breakfasts, lunches and suppers is in itself singularly important.

These meals are very important to the children in day care. They are, in fact, for some of these children the most essential part of their total nutritional intake. They provide a level of nutrition that the children would not otherwise be exposed to. This is a fact that can be documented with current day care research.[1]

---

[1] Douglas and Blomfield (1958) nursery school children on the whole were given better and healthier food than children who did not attend nursery school. Also, Campbell (1933) and Rhinehardt (1942).

The fact that the proposed Act provides for all three meals is also important. Some children in day care arrive early in the morning or have stayed overnight. A nutritious breakfast for these children is a must. The same with those children who are in care during the supper hour. And the day care facilities need public subsidies if they are to provide the kind of nutritious meals that are needed by the children in their care. The alternative is to have them raise the cost of day care and pass the increase on to the child's parents, who in many instances cannot afford such an increase; and therefore, might well have to seek an alternate care arrangement where the cost and quality of care would be less.

Of particular interest to the North Dakota "day care community" is the proposed Acts inclusion of Family Day Care Homes among those institutions and facilities which could participate in the Special Food Service Program. The impact of this provision of the bill would be tremendous in North Dakota because over half the day care provided in licensed facilities in the state is provided in Family Day Care Homes. These same homes are also hard pressed to keep the rates they charge down; and thus, would welcome any financial assistance which would help them in this regard.

Finally, the provision of the proposed Act providing for nonfood assistance is extremely important. Many of the day care facilities in the state, especially the centers, run on very tight budgets. They operate on a strictly "hand-to-mouth basis", never really certain that tomorrow they will be financially able to continue operation.

They make the very best use of all available community resources. They use donated space in a church or vacant public building. They obtain program supplies through gifts and donations. They tap local community chests and charities. They hold bake sales and car washes. And yet, sometimes, despite all these valiant efforts, the center cannot continue because expensive items—necessary items—like stoves, refrigerators, freezers, et cetera, either fail and cannot be replaced, or simply cannot be purchased in the first place.

Thus, these facilities must either shut down or significantly up their rates for service provided. This all too common situation graphically demonstrates one of the truisms of day care—the higher the quality of care, the higher the cost of that care. And this fact has a profound and direct correlation to the maintenance of minimum quality standards of care, such as those embodied in the Federal Interagency Day Care Requirements and State Standards for licensure. The following data may serve to illustrate my point.

There are presently in North Dakota 571 licensed Family Day Care Homes. These homes can accommodate 1,993 children. There are 18 licensed Group Family Day Care Homes which can in turn care for up to 194 children. And there are 71 Day Care Centers and Nurseries licensed at present. These can accommodate 1,782 children.

Thus, in total, just under 4,000 children can receive care in licensed day care facilities in the State. There would be slots for another 500 to 1,000 in approved facilities. And while the number of available day care slots continues to grow monthly, it cannot begin, as of yet, to keep pace with the need or demand for such services.

The cost of licensed care is relatively high and increasing as licensing standards and other pertinent factors change.

This cost factor and related aspects of licensing serve to directly impede the growth of licensed day care facilities. The reality of this situation and its impact is graphically demonstrated in North Dakota by the fact that an estimated 15–20 thousand children receive supplemental parental care in unlicensed and unapproved facilities. One of the simplest and most common reasons—cost. If we, as a licensing agency, tell you that you must have one staff to every five children in your facility, and at the same time are not administratively or fiscally able to locate and license all facilities in the community, you as a day care operator are at a distinct disadvantage. Unlicensed providers may opt to have one staff for ten children, or 15 or 20. Thus, cutting their staff cost by as much as 75%. A cost reduction they can reflect directly in their rates. And when this hard reality is combined with the fact that the primary determining factor for many parents in choosing a day care facility is cost, it becomes quite clear that unless the licensed facilities can receive assistance in keeping their costs down, either standards will have to be lowered, or unlicensed and unapproved care will continue to proliferate.

If government agencies desire quality care, they must be willing to accept the price tag. If they want quality standards of care, they must be willing to participate in the difficult and expensive task of implementing and maintaining those standards. Senate Bill 850, in this regard, is a step in the right direction. The financial assistance it will be able to offer day care providers will be most helpful and may very well prove to be a positive incentive for licensure itself; because to participate in the program facilities must be licensed.

In summary, let me state that this bill has wide and strong support among the North Dakota "day care community".

In the last week, I received a good number of letters supporting passage of this legislation. Letters typical of those I received are attached to my written testimony.

Support came from all around the State. The North Dakota Child Care Association is in support of the bill, as is the Fargo-Moorhead Community Coordinated Child Care Association. These are broad based child advocacy groups representing among others: parents, students, foster parents, day care providers (private family day care homes, centers, preschools, nurseries, and Head Start Programs), and professionals in such fields as public health, medicine, vocational training, education, law, social services, mental health and retardation, et cetera. They are directly involved in day care and would be directly affected by this legislation—and they strongly support it.

I have also talked with all my statewide Area Day Care Licensing Consultants. Their unanimous opinion was that Senate Bill 850 would be a significant asset to the day care program, and that it had broad community support among those persons aware of its content.

I also received letters supporting this legislation, some of which are attached to my written testimony, from providers of day care service. Centers, in both the Eastern and Western part of the State, when contacted, were very much in favor of this bill's passage.

And finally, I also contacted the State Department of Public Instruction and the State Health Department prior to my coming before your Committee to testify on this bill. Both Departments are strongly in favor of enactment of this legislation. Excellent addendum material is attached to my written testimony explaining the positive impact and need for continuation and expansion of such programs as: the WIC program, school lunch program, and commodities program.

Summarily, I can simply state that it is my personal and professional opinion that this is an excellent piece of federal legislation that is strongly supported by everyone I have talked with in the North Dakota "day care community".

I respectfully urge you to give favorable consideration to this bill in committee and lend your support to its eventual passage by the full Congress. I will gladly try to answer any questions you may have and thank you for the interest in children you have demonstrated through your consideration of this bill.

EXHIBIT A

RESOLUTION, BISMARCK-MANDAN NUTRITION COUNCIL, INC.

The FY 1976 proposed federal budget contains a block grant for child nutrition programs and reduces or eliminates such food assistance programs as:

- The Supplemental Food Program for Women, Infants, and Children (WIC).
- Child Nutrition Programs, e.g.:
  - School Breakfasts.
  - School Lunch Reimbursements (Section 4).
  - Free and Reduced School Lunches.
  - Non-School Feeding (Child Day Care, Head Start, and Summer Feeding).
  - Commodity Foods.
  - Non-Food Assistance.
- Special Milk Program.

Termination and/or reduction of these programs would create a health hazard to millions of children.

Be it resolved that the Bismarck-Mandan (N.D.) Nutrition Council, Inc., support legislation for continuation, expansion, and adequate funding of the above food assistance programs which are included in S380 (HR3736).

EXHIBIT B

ADDENDUM, SENATE BILL 850 TESTIMONY

As School Food Service Director for the State of North Dakota, my remarks will be confined to the portions of S. 850 that directly affect the programs we administer in the public schools of our state.

We are in support of S. 850 because of the sponsor's statement of its purpose: ". . . to make certain that children of this country do not lose out through the termination of these nutrition delivery systems." We are opposed to the Administration's proposal of block grants for funding the child nutrition programs. The present performance based funding with the escalation clause has been a sound basis for financial management of child feeding programs in the schools. It has eradicated the "guessing game" of State Agencies setting reimbursement payments and has assisted local districts with budgets. To approve an appropriation bill giving block grants to states in lieu of the present system would wipe out several years of progress in the child feeding programs.

We would like to focus on the school breakfast program. There are only 14 presently in operation in our state which make this meal available to 8,542 students each day. Many of these students are from rural areas and travel long distances to school and some are located on Indian Reservations. We know that in some cases the students would not have a morning meal if the School Breakfast Program were discontinued.

Section 4 of S. 850 would keep us out of a bind. We were able to get an appropriation for State Matching Funds during the 1975 legislative session. We are locked into the present state appropriation for the 1976 and 1977 fiscal years. The proviso of Section 4, as we understand it, will not increase the State Matching requirement based on Section 4 funding under Section 7 of the National School Lunch Act.

ROBERTA A. BOSCH,
Director, School Food Services,
North Dakota Department of Public Instruction.

EXHIBIT C

SENATE BILL 850 TESTIMONY

FOOD DISTRIBUTION PROGRAM, DEPARTMENT OF PUBLIC INSTRUCTION, CAPITOL BUILDING, BISMARCK, N. DAK.

We very emphatically support enactment of legislation that will require the Secretary of Agriculture to expend funds to fully support Senate Bill 850. It is our contention that USDA should continue the programs now being funded, with additional funds to keep abreast of rising costs, because they have the expertise that cannot be equalled in any other Federal Department, State or recipient agency level, and they can obtain the best quality nutritional food items at the least cost to the consumer and taxpayer.

North Dakota is not large in population, nor can we expend large sums of money or time to exert pressure for legislation. However, those of us who meet and visit with people directly involved in food service for children know that there is a deep concern over the possibility of losing programs that enable feeding needy children. We share their concerns because we know what can be accomplished for these youngsters, and the value of having some assurance that child feeding will have some degree of permanency, rather than the constant threat of being eliminated.

The schools and service institutions have been very grateful for the quantities of protein foods provided to them this past year. We have received calls, and many expressions of appreciation for these excellent USDA-donated foods. There has been much disagreement with the decision to eliminate cereals, oils and shortening from the list of purchases during the fiscal year. As a wheat producing state, this has been a particularly sensitive area. We support that provision of Senate Bill 850 which would restore the food commodities indicated above. This year we have not had a bread processing contract from any school.

The attached sheet is a statistical report of the Oil, Shortening and Cereals received during fiscal 1974 for schools and service institutions. These basic food items are an integral factor in food costs. In rural North Dakota purchasing power is lacking due to many small programs. We need volume purchasing. The United States Department of Agriculture has this capability.

Section 416	Price support.
Section 32	Surplus removal.
Section 6	Purchases from USDA funds for special foods for only schools in the NSLP.
Section 9	Dairy products.

EXHIBIT D

1973–74 DISTRIBUTION

	Number	Number of pounds		Number	Number of pounds
Bulgur: Schools	[1] 153	7,344	Rolled oats:		
Butter, print:			Schools	[1] 676	24,336
Schools	[1] 13,083	441,060	Service institutions	[1] 10	360
Service institutions	[1] 89	2,848	Rice:		
Cornmeal:			Schools	[3] 1,764	88,200
Schools	[3] 352	17,600	Service institutions	[3] 15	750
Service institutions	[3] 9	450	Salad oil:		
Flour, all-purpose:			Schools	[1] 1,574	72,719
Schools	[3] 12,475	623,750	Service institutions	[1] 14	647
Service institutions	[3] 92	4,600	Shortening:		
Flour, bread: Schools	[3] 4,773	238,650	Schools	[1] 2,714	97,704
Margarine:			Service institutions	[1] 29	1,044
Schools	[1] 1,221	36,630	Rolled wheat:		
Service institutions	[1] 4	120	Schools	[1] 354	12,744
			Service institutions	[1] 9	324

[1] Cases.
[2] Balers.
[3] Bags.

EXHIBIT E

FARGO, N. DAK., *April 21, 1975.*

Hon. MILTON R. YOUNG,
Senator, U.S. Senate,
Washington, D.C.

DEAR SENATOR YOUNG: We are writing in regard to Senate Bill 850 which provides for a raise in reimbursement rates for breakfast, lunch and dinner meals served to children in licensed child care centers and family homes.

On behalf of the Metropolitan Fargo-Moorhead Community Coordinated Child Care Association, we wish to lend our staunch support to this bill. In discussing this matter at a regular membership meeting today, the group unanimously indicated a positive reaction to the potential improvement this bill would hopefully accomplish. We further wish to urge that you support this bill as strongly as possible as we, the people of North Dakota and our communities, certainly stand to gain from its passage. We see it as a distinct upgrading of child care in our state by raising nutrition and health standards to an improved level. The upgrading of child care, of course, is our ultimate goal as an organization.

The Fargo-Moorhead 4–C organization is made up of individuals and agencies/organizations who have interest in or provide services to children and their parents. Those individuals in our current membership are parents, students, foster parents, day care providers (private family day care homes, centers, preschools, nurseries, and head start programs), and professional persons such as public health, medical, vocational, educational, legal, social service, and mental health personnel. Group membership includes local child service agencies, and local municipal, church, social, and community-action oriented organizations.

As a group to be directly affected by Senate Bill 850, we solicit your support for its passage.

Thank you for your attention and assistance, and our best wishes to you.

Respectfully yours,

HELEN HJERMSTAD,
President, Fargo-Moorhead 4–Cs.

EXHIBIT F

APRIL 21, 1975.

Mr. GEORGE ROBINSON,
Child Welfare Services, Social Services Board,
Bismark, N. Dak.

DEAR GEORGE: The United Day Nursery wishes to express their support of Senate bill #850 sponsored by Senator George McGovern. This bill, if passed, will give day care families and centers the additional financial assistance they so desperately need. Not only is the present rate too low, but assistance is needed for the family day care unit as well.

We are very aware of the demand for day care space and the increasing service day care is performing in our communities. The children *attending* need good nutrition at this level, but day care families and centers are not able to afford the costs incurred by a well rounded nutritional food program. Therefore, we urge the support of Senate bill #850.

Sincerely,

MARGY GABRIELSEN,
Acting Director, United Day Nursery, Inc.,

BELMONT BABY CARE,
GRAND FORKS, N. DAK., *April 21, 1975.*

Mr. GEORGE ROBINSON,
Child Welfare Services, Social Service Board of North Dakota, State Capitol Building, Bismarck, N. Dak.

DEAR MR. ROBINSON: This letter expresses my support for Senate Bill 850 and its support for services to child and infant care centers.

Two of its provisions would be especially helpful for Belmont Baby Care Center. The provision allowing up to $.80 reimbursement per meal served would reimburse us for our total food bill, relieving us of that expense.

The other provision that would help us is the allocation of money for equipment for food service. I would hope that allocation might also include the salary expenses for personnel who prepare the meals. That would be very helpful to us.

I wish you well on your trip to testify on this bill in Washington. You can be assured that our support is for the passage of this legislation.

Thank you.

Sincerely,

ROGER N. JESPERSEN,
President, Board of Directors, Belmont Baby Care.

EXHIBIT H

ANNUAL REPORT, FOOD AND NUTRITION DIVISION, SCHOOL FOOD SERVICES AND FOOD DISTRIBUTION PROGRAM, DEPARTMENT OF PUBLIC INSTRUCTION

STATISTICAL REPORT—1973-74

	1971-72	1972-73	1973-74
School lunch program:			
Number of schools	466	460	478
Number of children participating	86, 750	82, 743	83, 982
Lunches served to children	14, 603, 283	14, 484, 381	14, 089, 254
Number of free and reduced meals	2, 940, 707	3, 293, 651	3, 193, 243
Attendance	139, 410	136, 349	130, 235
Cash income:			
Children's payments for meals	$3, 883, 966	$3, 879, 959	$4, 436, 934
Adult payments and other cash income	527, 074	635, 373	695, 802
Reimbursement (school lunch, special milk, breakfast)	2, 490, 061	2, 778, 869	3, 094, 381
Total	6, 901, 101	7, 294, 201	8, 227, 117
Cash expenditures:			
Food	3, 999, 205	4, 525, 707	5, 269, 391
Labor	2, 046, 606	2, 277, 552	2, 296, 853
Other	598, 340	626, 774	578, 577
Total	6, 644, 151	7, 430, 034	8, 144, 821
Special milk program:			
Number of schools	471	465	424
Half pints of milk served	7, 798, 640	7, 982, 957	4, 074, 181
Value of commodities distributed to:			
Schools	$1, 562, 180	$1, 323, 907	$1, 566, 405
Needy persons	1, 860, 342	1, 899, 043	1, 398, 040
Institutions	113, 739	162, 883	154, 516
Summer camps	22, 960	20, 430	18, 096
Total	3, 559, 221	3, 406, 263	3, 137, 057
Breakfast program:			
Number of schools	13	12	14
Number of children participating	1, 963	1, 739	1, 767
Number of breakfasts	303, 387	282, 048	283, 640
Number of free and reduced price breakfasts	143, 882	107, 523	134, 228
Reimbursement	$43, 364	$30, 075	$51, 172
Nonfood assistance (equipment):			
Number of schools	48	25	44
Reimbursement (obligated and paid)	$60, 606	$48, 586	$72, 702
Reimbursement (all programs):			
School lunch	$1, 034, 325	$1, 158, 750	$1, 448, 061
Lunches to needy children (sec. 11)	1, 117, 812	1, 286, 403	1, 443, 585
Special milk	294, 560	303, 641	151, 563
Breakfast program	43, 364	30, 075	51, 172
Nonfood assistance	60, 606	48, 586	72, 702
Operating expense fund (Indian Agencies and county welfare boards)	66, 723	61, 372	65, 392
Total	2, 617, 390	2, 888, 827	3, 232, 475
Commodity value (all categories)	3, 559, 221	3, 406, 263	3, 137, 057
Commodity shortfall payments		254, 921	
State (appropriated) matching funds	93, 232	93, 232	173, 176
Money value to North Dakota, (grand total)	6, 269, 843	6, 643, 243	6, 542, 708

EXHIBIT I

Estimated administrative costs:

Total monthly food cost	$24,988
Allowable monthly administrative costs	$ 2,776
Portion of allowable monthly administrative budget to be retained by the State agency (percent)	44
State administrative costs	$ 407

Categories	Local	State/local	Total
Personnel	$8,196	$8,810	$17,006
Fringe benefits	1,229	1,321	2,550
Travel	5,550	2,187	7,687
Equipment			
Supplies	857	540	1,397
Other	1,300	660	1,960
Total	17,082	13,518	30,600

EXHIBIT J

BISMARCK, N. DAK., *February 28, 1975.*

Re S. 850

Hon. MILTON YOUNG,
U.S. Senate,
Washington, D.C.

DEAR SENATOR YOUNG: The proposed FY 1976 budget of President Ford calls for a reduction in funding for Child Nutrition Programs and the combination of all Child Nutrition Programs, the Special Milk Program, and the Supplemental Food Program for Women, Infants, and Children (WIC) into a block grant.

North Dakota has participated in the Child Nutrition Program for years and realized many benefits from them. North Dakota will soon be entering a WIC Program in a six-county area of the state that will serve approximately 1300 low income persons.

The WIC Program was authorized by the Congress in 1972 to provide nutritious food to supplement the diets of low-income pregnant and nursing women, their newborn infants, and young children. The program is an important step in decreasing the number of malnourished children, the number of birth defects, and the rate of mental retardation due to inadequate nutrition.

The proposed changes would ultimately result in the abolishment of WIC Programs, for if the programs were to continue under the proposal, funding would have to be obtained by the states through money from their block grants, e.g., other Child Nutrition Programs.

When legislation regarding funding for the Child Nutrition Programs and the WIC Program is presented to you, will you please note the implication of the proposed budget to low-income persons who are benefiting from the programs: I would ask that you support legislation to continue adequate funding of these food assistance programs.

Sincerely,

JOAN TRACY.

EXHIBIT K

SUPPLEMENTAL FEEDING PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

Six counties in North Dakota will soon be participating in a supplemental food program for Women, Infants, and Children (WIC).

The WIC program is an amendment to the Child Nutrition Act of 1966. It is a cash grant program designed to supply supplemental foods through state and local agencies to eligible low income persons.

Eligible persons are those determined to be nutritional risks because of inadequate nutrition and income. The program is available to infants and children to four years of age and pregnant or lactating women. Eligibility will be determined periodically throughout the year.

The program was initiated because of the many health risks related to inadequate nutrition and the poor outcome of pregnancy, e.g., low birth weight, infant mortality, mental retardation, prematurity, anemia.

Foods provided are to supplement the protein, iron and Vitamin C intake of participants. These foods are milk, iron fortified formula, iron fortified cereals, Vitamin C juices, eggs, and cheese.

Foods in designated amounts will be available at participating grocery stores through a voucher system.

The program is funded by the U.S. Department of Agriculture and will be administered by the Division of Maternal and Child Health.

The six-county area is comprised of Benson, Cavalier, Eddy, Ramsey, Rolette, and Towner counties. There is a potential of 1400 eligible participants residing in this area.

Notice of the approval was received January 3. The program will be initiated when funds are received.

EXHIBIT L

PROGRAM NARRATIVE, NORTH DAKOTA WIC PROPOSAL

1. OBJECTIVES AND NEED FOR THIS ASSISTANCE

The six county area to be covered by the WIC Program covers 6,669 square miles with a population of 49,670 of which 22.7 percent are low income. The area is classified as small towns in a predominantly rural area with Devils Lake (Ramsey County) as the largest town listing a population of 7,078. The entire project area is considerably isolated from any significant metropolitan or industrial center. The area is an agriculture-based economy, numerous small and declining rural communities.

Largest industries, in terms of employment are retail and wholesale trade, service and government. Together these account for 80 percent of the jobs in the area.

The 1970 census figures of Ramsey County, the largest of the six counties with a population of 12,915 showed a non-white population of 189. Rolette County has a population of 11,549 with 5,921 non-white population. Benson County has a total population of 8,245 with 1,638 non-white population; Towner County has a population of 4,103 and a non-white population of 17; Cavalier County has a population of 8,212 with a non-white population of 25. The non-white population is mainly Indian with the exception of Benson and Rolette counties, this population resides off the reservation.

There is a hospital at Belcourt on the Turtle Mountain Indian Reservation in Rolette County and an Indian Health Service located at Fort Totten on the Sioux Reservation in Benson County.

Ramsey County has two clinics and one hospital located in Devils Lake; Benson County has a hospital and a clinic with a doctor coming into small towns once a week. Eddy County has a hospital and a clinic, Rolette County has two clinics and two hospitals, Towner County has a hospital and a clinic, and Cavalier County has a hospital and clinic with a doctor's office at the Nekoma missile site. There are 34 doctors available in the six counties.

The Area Low Income Council, Inc., is comprised of six counties in the northeast section of North Dakota. This group of counties has been designated an impact area because of the high incidence of low income families in residence. The average number of low income families across the state is 12 percent, this area has an incidence of 22 percent. The council was organized to develop and implement nutrition assistance programs to low income families within the six county area. The council functions under a governing board with one-third of the numbers representing the public sector, one-third representing the private sector, and one-third from low income families. The present low income area staff includes an executive director, secretary bookkeeper, and two food program outreach workers. This staff has recently organized a senior citizen feeding program and a child day care program within the area. They possess the interest, ability, and expertise to develop additional nutrition programs for low income citizens.

The chief objective of this additional nutrition program is to improve the nutritional health of low income women, infants, and children residing in the area. These persons are considered at risk nutritionally.

Following is information regarding the rate of nutritional risk for this segment of the population residing in the area.

1. Rate of nutritional anemia: Number of cases per 1,000 women, infants, and children.	Estimated 232 per 1,000 women, infants, and children.
2. Rate of pregnancy: Number of pregnancies per 1,000 women age 15 to 44.	112.6 per 1,000 women.
3. Rate of teenage pregnancies: Number of teenage pregnancies per 1,000 pregnancies.	220.6 per 1,000 pregnancies.
4. Rate of premature births: Number of premature births per 1,000 live births.	Estimated 100 per 1,000 live births.
5. Rate of low birth weight infants: Number of low birth weight infants per 1,000 live births.	58.5 per 1,000 live births.
6. Infant mortality rate: Number of infant deaths (deaths occurring between birth and age 1 year) per 1,000 live births.	16.7 per 1,000 live births.
7. Rate of miscarriages: Number of miscarriages per 1,000 pregnancies.	44.9 per 1,000 pregnancies.
8. Statistics on infant morbidity (sickness), if available.	30 percent per 1,000 live births.

ESTIMATED PARTICIPATION OF WOMEN, INFANTS, AND CHILDREN BY RACIAL/ETHNIC COMPOSITION

	Total	White	Indian
Women	383	360	23
Infants	248	232	16
Children	789	773	16

According to the 1970 census, no other ethnic groups were residing in the proposed project area.

Eligibility criteria is as stated in WIC program regulation 246.12. They must be women who are pregnant or lactating, infants or children residing in an approved project area, eligible for treatment at free or reduced cost at the local agency serving the area and if they are determined to be a risk nutritionally by a competent professional on the staff of the local participating agency.

Individuals participating in the WIC program will be certified as eligible at sites designated by the Area Low Income Council. A voucher will be issued at the site to an individual eligible or to the eligible participant's guardian. Food in designated amounts for the period of time will be indicated on the voucher for each recipient. Vouchers will be issued for a supply of approved items for each participant. Upon presentation of the voucher to an approved participating agency, foods in designated amounts will be issued. Recertification will be necessary at three month intervals.

A WIC account will be established with the State Bank of North Dakota. The bank will print a supply of vouchers. The vouchers will be issued to the WIC participants and presented to the local grocery store for a specific dollar amount only for the food indicated on the back of the voucher. If the cost of the food is more than the value of the voucher, the recipient will pay the difference. The vouchers would be issued for a three month period and for a designated time period.

The WIC office will be located in Devils Lake (Ramsey County) with subcenters in the county seats of each of the remaining five counties.

Regular days of the month will be set up for each county such as food stamp sale days or immunization clinics or any day that may bring people into town from the more isolated communities.

The WIC coordinator or designee, and outreach worker for the particular county would determine if a patient is eligible and issue vouchers.

Patient may be certified up to three months. At three month intervals, the patient is given a return appointment for reevaluation and issuance of vouchers.

North Dakota assures USDA that all participants in the WIC Program are eligible for health services offered by the project.

ESTIMATED QUARTERLY PROJECTIONS BY CATEGORY OF PARTICIPANTS TO BE SERVED IN THE PROGRAM

	1st quarter	2d quarter	3d quarter	4th quarter
Women	1,149	1,149	1,149	1,149
Infants	744	744	744	744
Children	2,467	2,467	2,467	2,467
Total	4,360	4,360	4,360	4,360

This would be a monthly estimated average of 383 women, 248 infants, and 789 children.

The types of data to be collected and maintained are as follows:

(*a*) Financial records of all money received and disbursed. All cost allocation data shall be maintained.

(*b*) Food records—food authorizations issued to participants will be maintained.

(*c*) Medical records will be maintained including the following: height; weight; head circumference for infants. Mortality and morbidity records kept when available; as well as homoglobin tests.

(*d*) Informed consent records.

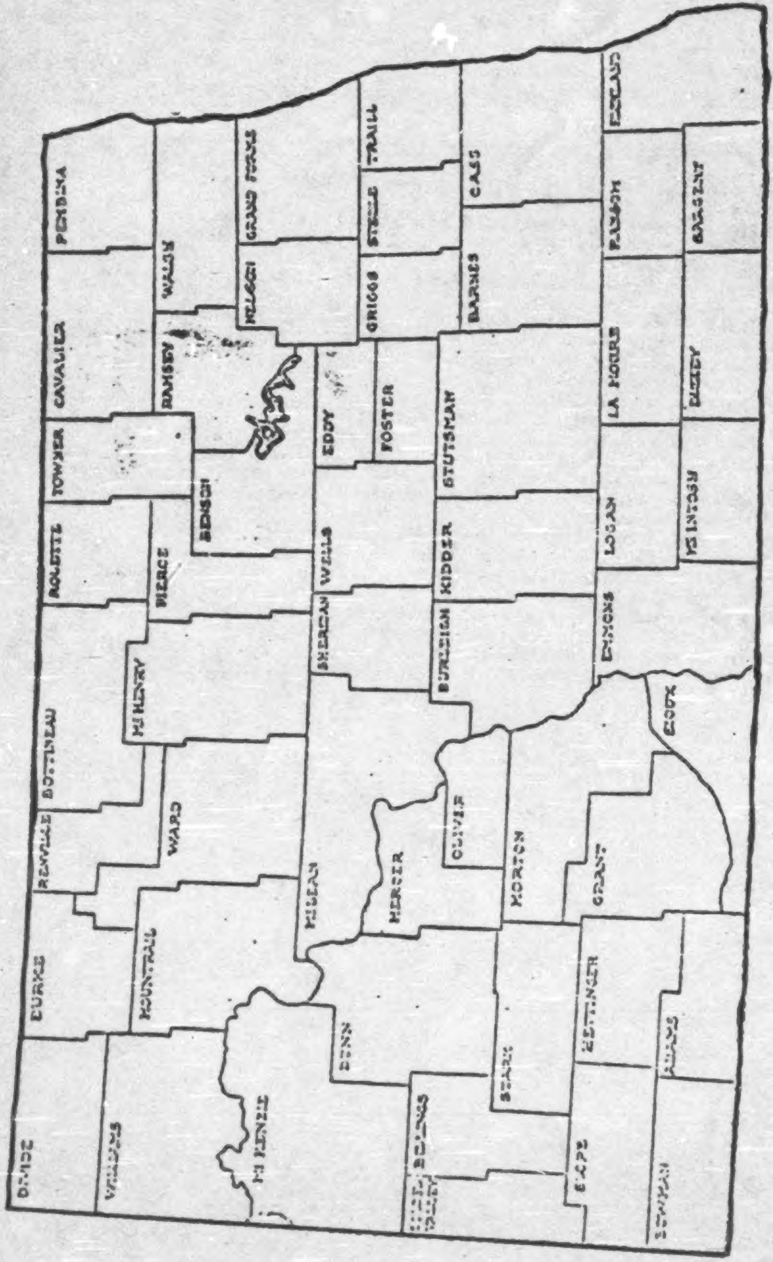
(*e*) Civil rights records.

(*f*) Reports as required by FNS forms 187 and 187–1.

This data will allow the staff to evaluate the effectiveness of the project, In addition, the Monthly Field Reports will enable the staff to keep a continuing count of withdrawals, new enrollers, and total current participation. Reports will be submitted to FNS on a regular basis which includes patient data and expenditures as required.

Nutrition education to improve the general health status of participants and their families will involve counseling at sites by the project nutritionist, public health nurses, and expanded nutrition program aides. This will include consumer education, nutrition information related to specific conditions (anemia, overweight, etc.), as well as good general nutrition practices. Follow-up into homes will be conducted by outreach workers and public health nurses.

The project area includes six northern counties of the state of North Dakota which have been organized as "The Area Low Income Council Inc."


PEMBINA
CAVALIER
TOWNER
ROLETTE
BOTTINEAU
RENVILLE
BURKE
DIVIDE
WALSH
RAMSEY
BENSON
PIERCE
McHENRY
WARD
MOUNTRAIL
WILLIAMS
McKENZIE
GRAND FORKS
NELSON
EDDY
WELLS
SHERIDAN
McLEAN
DUNN
TRAILL
STEELE
GRIGGS
FOSTER
MERCER
GOLDEN VALLEY
BILLINGS
CASS
BARNES
STUTSMAN
KIDDER
BURLEIGH
OLIVER
MORTON
STARK
RICHLAND
RANSOM
LA MOURE
LOGAN
EMMONS
GRANT
HETTINGER
SLOPE
SARGENT
DICKEY
McINTOSH
SIOUX
ADAMS
BOWMAN

NORTH DAKOTA

Names and addresses of each participating clinic:

Catherine P. Fitzpatrick, MD, MPH, Director, Division of Maternal and Child Health, North Dakota State Department of Health, State Capitol, Bismarck, ND 58505, Phone: (701) 224-2493.

Benson County Public Health Nursing Office, Court House, Minnewaukan, ND 58351, Mrs. Donna Rice, RN, Public Health Nurse, Phone: 473-5444.

Cavalier County Public Health Nursing Office, Court House, Langdon, ND 58249, Mrs. Fannie Valentine, RN, Public Health Nurse, Phone: 256-2402.

Eddy County Public Health Nursing Office, Court House, New Rockford, ND 58356, Mrs. Arlyss Lesmeister, RN, Public Health Nurse, Phone: 947-5311.

Ramsey County Public Health Nursing Office, Court House, Devils Lake, ND 58301, Mrs. Marion Moen, RN, Public Health Nurse, Phone: 662-4318.

This project was notified of its approval January 3, 1975. Funding was received approximately February 15, 1975.

Monies for the project are currently in the State Treasury. Forms, accounting procedures, and recruiting of personnel are being implemented.

Based on the experience of projects in other areas we anticipate (1) improved nutritional status of participants and their families because of the availability of iron rich foods, foods of high quality protein, and vitamin C rich foods; (2) improved eating habits because of the foods available and thus a decrease in use of snack foods of little or no nutritional value; (3) gains in heights and weights of infants and children; (4) increased hemoglobin levels. Along with improved nutritional status other health services such as immunizations, well child care, maternity care, and general preventive health care to these persons are expected to increase.

Senator McGovern. Mr. Goldberg, you may finish now? I understand that you were cut off in your remarks. Why don't you finish your comments, and then we will proceed with Mr. Hunt.

STATEMENT OF DAVID GOLDBERG, DIRECTOR, WIC PROGRAM, VERMONT DEPARTMENT OF HEALTH, BURLINGTON, VT.—Resumed

Mr. Goldberg. I realize that we are short of time here so I will summarize my statement which is already on the record. I am the director of the WIC program for the State of Vermont, which is a single statewide program currently reaching about 17,000 women and children in this State.

We feel that WIC is a fairly well conceived program for two reasons: because it operates firstly from a recognition of the benefits of preventing problems before they become more serious or difficult to treat and more expensive as a drain on our public spending; and secondly, it is well conceived because it uniquely operates through health service programs as opposed to other child nutrition programs.

I think an illustration of the benefits of preventing health problems rather than treating them later can be seen by discussing mental retardation and the cost of providing services to children and adults who are mentally retarded. In Vermont, it costs about $8,000 a year to provide services for retarded people who are in the State training school. Private nursing care for retarded people is even more expensive. Our experience in Vermont coincides with the Department of HEW estimates that over a lifetime of maybe 40, 45, 50 years, this could amount to $500,000 in public spending to provide care for one retarded person. I think this contrasts rather dramatically with the approximately $300 a year that it would take to provide the kind of nutrition supplementation that WIC makes available in one year.

We feel also that WIC is succeeding in fulfilling some of the expectations that were outlined to Congress almost 3 years ago when this program was on the drawing board. We find in Vermont that it is bringing a dramatically larger population into contact with our public health services. We are also finding evidence that WIC seems to be effective in curing nutritional anemia. A sample of our clinic records that we were looking at recently showed that in their initial visits to WIC clinics, 27 percent of this particular sample had hematocrit readings that were below the normal range for their particular age group, and following up 6 months later, every single one of this particular group had hematocrit readings that were within the normal range for their age group. And while this certainly may not necessarily represent the entire picture, it is a sample, and I think it is good evidence that the program is fulfilling its promise.

Now, addressing S. 850, I think it contains some provisions that will correct some problems that we are facing with the WIC program right now despite its sound conception. Briefly, the increase in the nonfood allowance for outreach and nutrition education activities is going to permit us to get into an activity that has been described a number of times as one of those areas that WIC should be in now and is not; that is primarily nutrition education.

Second, there is provision in S. 850 that would provide more flexibility than we currently enjoy in making foods available to participants, and we are encountering some problems in this regard. I would say that left to our own devices we could come up with a food package that is substantially similar to the one that the USDA has come up with. There is some flexibility required, that we do not have now, simply because there is a great variety of experience. There is nothing magical about the age of 6 months or 12 months.

I think on a local level we are in a better position to recognize these individual needs.

Finally, I think the expanded eligibility for women to 6 months post partum as opposed to 6 weeks, is a much more realistic recognition of the time it takes a woman to recover from the nutritional stress of pregnancy, and extending the benefits to kids who are past 4 years old is another needed improvement in this program.

Now there was some discussion earlier about the adequacy of the proposed $300 million authorization, how far it would go and whether we could as a Nation afford to get into this kind of spending when we are suffering from some of the pressures that our economy is facing today. It must come down to a question of priorities, as the gentleman before me pointed out.

I would just like to illustrate this. A couple of months ago, there were two F-111's on a training mission that collided with one another over southern Vermont, and scattered scraps of metal and hardware over the hillsides. The next day the Pentagon informed us that these planes go for $18 to $20 million each. This crash represented a loss of $35 to $40 million. Now this is 10 times what we will spend in Vermont this fiscal year to provide nutrition supplementation for 17,000 people, women and children. And I have to raise the question that if we don't have enough funds to protect the health of our children, what will we be protecting with our military hardware.

So I think we have a good program in WIC.

I believe it is succeeding. We are seeing signs of this in Vermont, and I urge continuation of it.

Senator McGOVERN. Thank you very much, Mr. Goldberg. I certainly agree with the points you make on priorities. I appreciate your being with us today.

[The prepared statement of Mr. Goldberg follows:]

STATEMENT OF DAVID GOLDBERG, DIRECTOR, WIC PROGRAM, VERMONT DEPARTMENT OF HEALTH, BURLINGTON, VT.

I am David Goldberg, Director of a single statewide WIC Project operated by the Vermont Department of Health. The program in Vermont is currently providing nutritional protection to just over 17,000 women, infants and children.

I am grateful for the opportunity to appear before this Committee to express my support for the WIC provisions in S. 850. I am also pleased to report to you that, in my view, State and local WIC projects are making impressive gains in meeting the objectives expressed by Congress by the enactment of the WIC Program, which was in response, as you know, to vocal and well-documented alarm about the dangers of preventable malnutrition among the prenatal and early child population. To retreat on this commitment at this time is to ignore the weight of volumes of testimony and medical evidence, and to overlook the enthusiastic commitment of state and local health workers.

The WIC Program was soundly conceived as to most of its underlying principles. Firstly, it follows from an understanding that it is far more sensible, in terms of our use of human and fiscal resources, to prevent where possible chronic health problems and disease, rather than to attempt to treat them after their occurrence. Secondly, by operating in conjunction with health service programs, WIC underscores the link between proper nutrition and good health.

It will be several years before we will be able to measure the impact of this nutritional intervention by such measures as infant mortality rates, prematurity rates and other traditional indicators of populations at risk. However, in the thirteen short months since program operations began in Vermont, we have observed signs of the impact WIC can have on the health of participants, which I would like to share with you today.

First of all, there is the very direct and obvious impact of guaranteeing adequate amounts of good foods to infants and pregnant and nursing women. The difficulty increasing numbers of families are facing trying to purchase a proper diet is a topic getting a great deal of attention, and is well known to this Committee. Too many families in Vermont are forced to make unhealthy family budget decisions, such as whether to spend on home heating or putting enough food on the table. From the reports of many participating families, WIC is the deciding factor in determining whether there is enough food to eat in the house. Not only are key nutrients provided, but family funds are also freed up for the purchase of foods that would not be a part of the diet otherwise. People most often refer to fresh fruits and vegetable as foods that they can now afford due to their participation in WIC.

Secondly, the WIC Program is bringing a dramatically larger population into contact with our public prenatal and well-child health services. Through these services children are examined, immunized and screened for a variety of vision, hearing, dental and developmental health problems; expectant parents receive education about child development and the course of pregnancy. Most importantly, we are in a position to motivate the family to obtain preventive health services at a time when they are most concerned and ready to learn. In Vermont, as elsewhere, the high cost of health care is largely attributable to the tendency of people not to seek care until the need for crisis intervention occurs. Emphasizing the habits of prevention can only in the long run lead to incalculable savings in human suffering and public spending.

Thirdly, we have evidence now that the diet supplementation available through the WIC Program is effective in correcting nutritional anemia. A random sample examination of our clinic records indicated that, on entry into the WIC Program, 27% of those tested had hematocrit readings below the normal range for their age group; six months later, upon reexamination, every patient previously deficient had hematocrit reading within the normal range.

Despite our experience to date which leads to such optimism, there are problems with the WIC Program as it presently operates. The legislation before this Committee addresses some of these problems.

First, S. 850 would make WIC a "permanent" program. This assurance of continued operation makes possible better planning and in the long run more efficient program administration. To date, WIC projects have been necessarily very uncertain about the future, and this uncertainty has interfered with our ability to establish proper staffing patterns, to reallocate other state and local resources in order to best extend the benefits of the program, and to enter into ongoing working relationships with other agencies and groups serving the target population.

Second, section (g)(3) would provide more flexibility on the local level than is currently permitted by the USDA in the selection of food items to make available to participants. Federal guidance in this respect should be limited to guidelines on the portion of RDA levels of nutrients to be provided. From our experience, local project personnel are in the best position to determine what food items would best suit the needs of individual participants. I am confident that our local judgments would be more sound than the narrow and sometimes confused judgments made by USDA in their selection of the WIC food package.

Third, section (d) of this bill provides for an increase in the share of funds available for non-food expenses. This section addresses one of the greatest deficiencies of the WIC Program as presently constituted: namely, the lack of a nutrition education component. We are missing a tremendous potential for punctuating the provision with information about why certain foods are being offered, and how proper nutrition is an essential ingredient of good health. Even while we are strictly prohibited from using WIC funds for such educational activities, we are experiencing a demand for consumer nutrition education, which we unfortunately are not in a position to respond to.

I would add that our experience in Vermont, with a single statewide project under one administration, suggests that administrative costs can be kept at 10%. However, the additional allowance is absolutely necessary if we are to engage in educational activities and strengthen the tie between WIC and other health services. I feel it is wise of Congress to guard against unnecessary growth of administrative apparatus.

Fourth, provisions in this bill to expand eligibility for children to five years old and for women up to six months postpartum are a welcome response to what I believe is the most often pointed out need for change in the program. Six months is a much more realistic period to expect a woman to recover from the nutritional stress of pregnancy. The expanded eligibility for children will reduce the gap between nutritional aid made available through WIC and that made available through school feeding programs.

Finally, Mr. Chairman, the $300 million funding level for next year proposed in this bill strikes me as the minimum necessary to ensure that local projects do not suffer cutbacks in caseload size. It has been estimated that the $130 million available during this fiscal year equals about $195 million on an annualized basis; that is, some WIC projects were funded starting in the middle of the year and will require considerably more to continue on a twelve month basis. In the case of Vermont, we will spend approximately $4.3 million this year; we estimate the cost of serving our currently approved caseload during the next fiscal year to be about $6.2 million, an increase of nearly 50%.

I am concerned that the growth of caseload, rises in the cost of food, and actions that will increase categories of eligible participants will thin out the effectiveness of the proposed $300 million funding. Further, I am concerned that actions in the House of Representatives will lead to an even smaller appropriation. Such a smaller appropriation will lead to cutbacks in project caseload size, which can only lead to terrific difficulties at the local level.

It seems clear to me that it will be up to this body to take the leadership in guaranteeing a continuation of the WIC Program at an appropriate level.

I am aware of the difficulties posed by increasing government spending in the midst of the economic problems facing our country. However, when fundamental needs such as food are at stake, the failure of public response can only lead to worse problems. The resources are available to guarantee that all Americans are able to obtain a proper diet. As usual, the question comes down to a matter of priorities, and it strikes me that protecting the health of our infants and children should be at the top of our list of national priorities.

Two months ago, two F-111 fighter planes on a training flight collided over southern Vermont, scattering over the hillsides scraps of hardware that cost ten times what we will spend in twelve months to supplement the diets of 17,000 women and children in our state. How, with a straight face, can we expect people to believe that there just is not enough money for health protection?

Mr. Chairman, we understand the dangers of nutritional risk to the population that WIC serves, Congress has provided a program to address this problem, and it is working. S. 850 contains provisions which will strengthen the WIC Program. I believe you will find that funds appropriated for this purpose will be money well spent.

Thank you very much.

Senator McGovern. Mr. Hunt, we will be glad to hear from you now.

STATEMENT OF PFILIP G. HUNT, VICE PRESIDENT, CORPORATE AFFAIRS, MORRISON, INC., MOBILE, ALA., AND PRESIDENT FOODSERVICE AND LODGING INSTITUTE

Mr. Hunt. Thank you, Senator.

I am Pfilip G. Hunt, vice president of Corporate Affairs, Morrison, Inc., Mobile, Ala. based food service company involved in public cafeteria food services, and providing food services for schools and colleges and universities, industrial plants, and office buildings.

I also have with me, Mr. Thomas W. Power, who is general counsel for the Foodservice and Lodging Institute here in Washington.

In addition to my position with Morrison, I am also president of the Foodservice and Lodging Institute, located in Washington, which is a business organization comprised of a number of the country's largest food service and lodging organizations. The membership employs in excess of 600,000 employees and operates in excess of 10,000 individual establishments throughout the Nation.

Some of the members of the Foodservice and Lodging Institute are major participants in our national school lunch program, especially summer lunch programs.

We have a detailed, prepared statement which we have submitted for the record in its entirety, and what I will do—is provide you with a brief summary of the key points that we have in that prepared statement.

No. 1 is that we oppose the administration's block grant proposal to basically eliminate all of existing child nutrition legislation. In our opinion, it undermines the entire program.

We feel that one of the best run Federal programs has been the national school lunch program, in terms of the dollars spent—they have been some of the best dollars spent for our money.

No. 2, we would recommend a continuation of the existing program on a permanent basis, particularly the summer lunch programs.

No. 3, we would suggest changes in the summer lunch program to permit local sponsors to engage a food service management company to both administer the program and to furnish the meals, under established competitive bid procedures. And we would be pleased to submit language to accommodate this latter proposal.

No. 4, we would like to recommend a modest amendment to section 13(a)(1) of the act.[1] The program presently gives preference to the use of local facilities, both food service facilities and recreational facilities. We believe that the intent here is to encourage the use of the existing food service and recreational facilities. And we suggest that the preference be limited to the situations only where those facilities are in fact used. Otherwise, for economic reasons, we would like to suggest that the competitive bid mechanism be employed.

---

[1] See p. 241.

Those are basically our recommendations, Senator, and we would like to thank you for the opportunity of being able to present the views of the industry.

Senator McGOVERN. Thank you very much, Mr. Hunt.

We will see that your full statement is printed; and we may have further inquiries on the suggested amendment that you have offered. We appreciate your patience in waiting this morning.

Thank you.

[The prepared statement of Mr. Hunt follows:]

STATEMENT OF PFILIP G. HUNT, VICE PRESIDENT, CORPORATE AFFAIRS, MORRISON, INC., MOBILE, ALA., AND PRESIDENT, FOODSERVICE AND LODGING INSTITUTE

Mr. Chairman and Members of the Subcommittee.

My name is Pfilip G. Hunt. I am vice-president of corporate affairs for Morrison, Inc., a Mobile, Alabama-based company involved in public cafeteria feeding under the trade name, "Morrison's Cafeterias" and in food service management in hospitals and recreation camps.

I am also president of the Foodservice and Lodging Institute, a non-profit business group of major multi-unit, multi-state food service and lodging operators. Our members are involved in all facets of food service management operations in restaurants, schools and colleges, industrial plants, institutions, and other locations. The combined membership employs more than 600,000 persons and operates 10,000 establishments throughout the Nation.

Several of our members are large-scale participants in programs under the National School Lunch Act and in the summer lunch program, the Women, Infants and Children (WIC) programs, and in school breakfast and day care feeding programs.

It is as president of this organization that I appear here this morning endorsing the efforts of this Subcommittee to strengthen the National School Lunch and Child Nutrition Acts and, at the same time, applauding the ability and success of the Department of Agriculture for its 29-year record of continual improvement of the School Lunch Program which now feeds approximately 25 million lunches daily to our school children.

While endorsing the actions of this Subcommittee and applauding the efforts of the Department of Agriculture, we are also concerned with several problems faced by our industry in administering the service of meals particularly under the summer lunch programs. We are here to ask for certain modifications which we are confident will further strengthen and improve maintenance of such programs while continuing to ensure that the basic objectives of the Act are maintained.

I am accompanied to the witness table by several of my colleagues. With me are Mr. Thomas W. Power, General Counsel of the Foodservice and Lodging Institute; and Mr. Barry Roth, Assistant General Counsel of ARA Services Inc., of Philadelphia. Also with us is Mr. Tom Fitzgerald, who is in charge of ARA's school food service programs.

We appreciate the opportunity to testify before this Subcommittee on matters of great concern to us and to the whole Nation.

It is not our intention to become embroiled in a debate over who shall eat free, who shall receive reduced rate lunches and who shall pay their full way. It is logical that some divisions must be made. And, while it is an important question which we are sure will be dealt with reasonably, we hope that it will not be used as an implement with which to destroy or delay these richly rewarding programs under which 47.4 percent of all the school children in this country participate.

Before we approach our suggested modifications, I would like to comment that we are concerned with the proposal of President Ford to "repeal and supersede all existing child nutrition legislation" and substitute a single consolidated block grant program.

We agree with the objections of the American School Food Service Association, for which we have a great deal of respect, that the Ford proposal would "destroy the framework of existing child feeding programs" and "would create sharp increases in school meal prices for paying children as well as children paying for reduced meals."

All school lunches are partially financed with federal funds. Subsidization is necessary here just as it is in any similar operation, including employee cafeterias where capital investment is extremely high. The school lunch program, like all employee cafeterias, like the staff restaurants in both the Senate and House, must be subsidized. Without the subsidy quality as well as service would suffer.

In the school lunch program, each cut in the subsidy has an effect of that of a whirlpool. According to our experts in school feeding programs, for every one penny increase in meals there is a corresponding one percent drop in the total number of meals served. Each nickel increase results in a five percent loss of participants.

The Department of Agriculture has estimated that adoption of the block grant approach to child nutrition programs would lead to a seven million children decrease in participation. This is based on the withdrawal of the federal subsidy for children above the poverty level and therefore a comparable increase in the price to the child.

We agree with all of the findings of the American School Food Service Association that:

(*a*) School lunch prices would increase dramatically.

(*b*) Nutritional standards for meals would suffer.

(*c*) A substantial number of school food service personnel would be forced out of work.

(*d*) Food market potential would decrease.

(*e*) Investment in equipment and facilities would be jeopardized.

(*f*) The price of milk purchased by children at school would increase.

(*g*) Overt identification of the poverty child would be unmistakable because in many instances it will be only the poverty child who will be able to "afford" a full nutritious meal.

The basic purpose of these hearings is to strengthen the school lunch and child nutrition programs and we cannot ignore the nutritional needs of those who will benefit from the actions of the Congress. We should not run the risk of destroying nearly 30 years of successful operation.

It is our hope instead that the Congress will pass legislation which will guarantee that all existing programs, including those year-round programs, are continued on a permanent basis.

We believe that each program temporarily authorized and funded should be made permanent. We know each program is a success. If Congress is determined to place a price-tag on the nutritional needs of our nation's school children, the WIC recipients, the participants in day care, summer lunch, and the school breakfast programs, then we suggest that it be priced so that everyone can afford it.

In separate legislation, sponsored by the distinguished Chairman of this Subcommittee, the Congress will provide for temporary continuation of the Special Food Service Program through this summer. We were extremely pleased to hear that Congressional action on this measure was completed last Friday and that the bill was forwarded to the White House. We now hope for similar quick action on the Second Supplemental Appropriations bill which, I understand contains the funding for the programs.

This is particularly important in the southern areas of the country where summer lunch programs begin earlier in this year. As the distinguished Chairman has pointed out on many occasions there is a great deal of planning to be done in order to make the program a fruitful one. If we are forced to wait the program will suffer. In many southern states, the summer vacation begins in late May.

The summer lunch program, originated in 1968 under the Special Food Service Program, was one of the most outstanding improvements in the National School Lunch Act. It is designed for children who are in the school lunch program and who may depend on that lunch as their only nutritious meal for that day. We urge that the program continue as a permanent part of the National School Lunch Act.

We hope our suggested changes will further improve on it.

According to the House Report 94-68, which accompanied Bill H.R. 4222 by Rep. Perkins (KY.), chairman of the House Committee on Education and Labor:

"In fiscal year 1973, $50,600,000 was made available, but only $28,000,000 was spent. In fiscal year 1974, $50,600,000 was again available but only $34,000,000 was spent." In the summer of 1974, states requested $64,000,000, $60,000,000 was allotted by USDA, but only $51,000,000 was used.

It is our considered opinion that the differences between the amount of funds made available and the amount of funds spent could be narrowed by amending the law to provide sponsoring groups the opportunity to hire management companies to handle the myriad of paperwork and financial responsibility inherent in such programs.

Groups eligible to act as sponsors for summer lunch programs are in many instances, reluctant to become involved or fail to qualify because of extremely complex requirements concerning paperwork management, site selection and inspection, accounting, and application submissions. In its manual describing the summer lunch program, the Department of Agriculture points out, "Management of programs of this nature constitutes some unusual problems. Therefore groups considering sponsoring programs should evaluate their ability to provide adequate program management. This includes training, supervision and recordkeeping."

We are experts in food service management yet we are prohibited from acting as sponsors. We are asking for a logical option, either of which will improve the program; both of which are appropriate.

In order to both improve as well as strengthen the program, we ask this Subcommittee for an amendment to:

(*a*) Permit sponsoring organizations, who feel that they do not have the expertise to run a summer lunch program, to hire a management company to perform the necessary services inherent with qualification under the Federal Government guidelines.

In either case, the principal beneficiary is the summer lunch program.

The present statute calls upon voluntary or charitable groups to take extreme financial risks in order to participate. In most cases, discovery of ineligibility occurs after the program has been instituted. These groups are compensated for their administrative costs but there is failure within the law to provide compensation for any financial risk they may face. Either solution would protect them and allow them to enter such summer lunch programs.

In a realistic appraisal of the actual operation of these summer programs the food service management company provides not only the food but the initial financing for the program. The service institution, whether a municipality or a private non-profit agency, usually does not have the funds to pay on delivery. Just as with many public school systems, the service institution must wait for Federal reimbursement to pay its suppliers.

Unlike service to school operations, however, the food vendor in summer programs is faced with the real possibility of not being paid for meals which were, in good faith, prepared and delivered according to Federal specifications. It seems to us unfair that a vendor who fulfills his responsibilities is not compensated because another agency makes a mistake or otherwise fails to fulfill its responsibility. This, I might add, is much more than the normal risk of doing business because of the strict regulations governing the program.

Let me provide you with some understanding of this problem.

What has occurred on numerous occasions is that the food service management company authorized to supply the food has been half way through the program before there was a formal officially approved site list.

In such instances, we have been caught between the proverbial "rock and a hard place." There have been numerous occasions where USDA auditors have disallowed payments for meals delivered to children at the site because there was no organized child care or youth activity at such site, although the sites presumably had been approved by the state agency.

Who bears the risks if a state approves a sponsor's plan and subsequently after the program is completed USDA auditor determines that there was not, in fact, adequate supervision of the sites by the sponsor?

The answer regrettably is the food service vendor who bears the risk of having the lunch he delivered declared ineligible for reimbursement because of:

(*a*) Lack of supervision at the site;

(*b*) Lack of organized play activity; and

(*c*) Improper determination that the site is in an area of "high concentration of working mothers" or "poor economic conditions."

This problem has discouraged the participation of many reputable and capable suppliers who not only provide quality food and service to many communities but who also provide additional competitive resources which foster the programs cost effective objectives.

Before closing Mr. Chairman, we would like to address ourselves to a problem of interpretation of Section 13(a) (1) of the National School Lunch Act's summer lunch provisions.

We feel that there has been generated a misconception that service institutions are required to use public school food service facilities and personnel as opposed to the service of private independent food service management companies.

In the interest of economics, continuity, efficiency and consistency, the Foodservice and Lodging Institute respectfully urges a clarification of the legislative intent or preferably, an amendment to Section 13(a) (1) demonstrating that:

"Nothing in this Section shall preclude a service institution from contracting with a private food service contractor for delivery of meals to school food service facilities or other facilities approved as food service sites."

This change would make it clear that every qualified supplier, whether school-connected or school-owned operators or food service management companies, would be eligible to participate in the program.

The selection of the supplier would then be a local rather than a federal decision and it would be based on local conditions in the best interest in the program.

We further feel that such a recommendation is economically sound because it will obtain the best value for the taxpayers.

Mr. Chairman, the food service industry is confident that your Subcommittee, the full Committee on Agriculture and the United States Senate will deal fairly and equitably in developing improved legislation on these subjects. The task is a difficult one but the end result will be extremely gratifying. We hope that our comments are given careful attention and that legislation is favorably considered and reported.

We want to thank you for giving us the opportunity to express the views of our industry.

If the members of this Subcommittee have any questions, we would be happy to respond.

Thank you.

SUGGESTED AMENDMENT TO SECTION 12 OF S. 850

Amend Section 12 of S. 850 so that the last three sentences of Section 13(a) (1) of the National School Lunch Act shall read as follows:

"To the maximum extent feasible, consistent with the purposes of this section, preference in the selection of service institutions to receive assistance under this subsection shall be given to public and non-profit private schools which utilize existing foodservice and recreational facilities of such schools. Any eligible institution shall receive the Summer Food Program upon request. Nothing in this section shall be construed as precluding a service institution selected to receive assistance under this section from contracting on a competitive basis for the furnishing of meals and/or administration of the program."

EXPLANATION

Under present law, public and non-profit private schools are given preference without competitive bidding in the selection of institutions to receive assistance under the Summer Food Program. The absence of competitive bidding results in higher cost for the program. The rationale to justify this preference is to encourage the use of existing foodservice and recreational facilities of public and non-profit private schools. In many instances, however, the preference is given to schools even though the foodservice and recreational facilities of such schools are not used by the schools in conducting the Program. The above amendment would encourage the use of such facilities. Unless such facilities are in fact used, schools would have to meet the lower prices brought about by competition when seeking assistance under this Summer Food Program.

The second amendment suggested would permit non-profit service institutions to contract on a competitive basis not only for the furnishing of required meals, but also for the administration and effective management of the program. Under the present law, in many instances non-profit service institutions do not have the proper resources to manage the program. While such local organizations are most appropriate to sponsor local Summer Food Programs because they recognize the need where it exists and they have the sites for the orderly distribution of meals furnished under the Program, they do not have the resources to assure that the program will qualify for Federal reimbursement. As a result, frequently, nonprofit service institutions are required to assume substantial financial risk for the payment of meals purchased which may or may not be reimbursed by the Federal Government depending on whether the program is properly administered. The determination as to proper administration and qualification for reimbursement generally occurs a significant time after the meals have been furnished and consumed. We urge that service institutions be permitted to contract for the proper administration of the program on a competitive basis if they so desire. This will relieve the service institution from the financial risk involved by placing the burden for proper administration and distribution of meals on the party who furnished the meals and who after performance seeks reimbursement for the meals furnished.

In our opinion, uncertainty of payment for meals furnished because of failure to properly administer the program is the principle reason why the program has not been utilized to the extent that the need for the program warrants.

Senator McGovern. Rabbi Gorodetsky, are you and your group ready to be heard?

We are going to work out a change now in the schedule. After we have heard the rabbi and his group, we will recess an hour for lunch, between 1 p.m., and 2 p.m., and then take the balance of the witnesses at 2 o'clock. That will give us a little more time.

If you can identify your associates here, we will proceed.

STATEMENT OF RABBI SHOLOM GORODETSKY, CHAIRMAN OF THE BOARD, HASSIDIC CORP. FOR URBAN CONCERNS, BROOKLYN, N.Y.

Rabbi Gorodetsky. David Farber, who is executive director of our organization; and Rabbi Katz, who is the director of special programs.

Thank you, Senator McGovern.

I represent the Hassidic Corp. for Urban Concerns, an OEO-funded community action group providing direct services to hundreds and thousands of New Yorkers of all races and creeds.

I am privileged to be here today to testify on behalf of a bill to amend the National School Lunch and the Child Nutrition Acts and for the purpose of brevity I shall dwell upon the area in which we are most familiar with, namely the summer feeding program.

We are here to discuss primarily the summer feeding program. I can think of no more visible, direct and effective program than the actual feeding of needy young people during the hot summer days. Our agency alone distributes over 150,000 meals daily to young people aged 3 to 20 throughout the city of New York. We were somewhat shocked and amazed when we heard that this program might be curtailed, especially at this time, with the economic situation as we find it now in the country.

We were amazed at the inappropriateness of the timing. At a time when unemployment is at its highest in decades, when inflation affects food costs significantly, when young people are doomed to walk the hot streets of New York City aimlessly for lack of jobs and other opportunities previously available but now discontinued due to Federal. State and municipal funding cuts, at a time when the parents of these young people are plagued by inflation and unemployment and cutting down on food as an economy measure, at this time we thought it was heartless to even consider curtailment of such a program.

Now, there are programs and there are programs. Some are designed to benefit the community indirectly, or deal with the subconscious. The summer feeding program deals with the immediacy and reality of the condition. Each child actually receives a meal, a nutritious meal, and consumes that meal in the location where he or she receives it. Moreover, because of the availability of this program many voluntary summer day camps, block associations, social and civic groups are able to conduct summer programs for young people who otherwise would be left with nothing productive to do all summer long.

And what are we really talking about? We are not discussing largesse from the Government for luxury purposes. We are not asking to provide these poor young people with sirloin steaks or caviar, but rather with a daily meal requirement of nutrition typical of a USDA type A lunch.

Let us talk for a moment about the side effects of the summer feeding program.

It relieves the feeding burdens of families hard hit by the economy; it assures poor young people of at least a nutritious meal per day; it helps community organizations operate voluntary summer educational and recreational programs for the needy; it provides employment for thousands of New Yorkers involved in the production and distribution and supervision of meals; it increases business for the small food supplier hard hit by the economy; it produces business for the farmer, dairyman and, in the process, provides employment for thousands of others involved in all aspects of food preparation from its inception. It truly has the kind of domino effect which deals with human needs and the general economy of the regions and the Nation.

It is for this reason that we were amazed that this program was in jeopardy. We thought for certain that the program would be doubled and perhaps carried over beyond the summer months. But then again we are not economists, all we know is what we see, and what we see is poverty and hunger and some smiling faces when those meals arrive in huge refrigerated trucks.

The efforts of the Senate and Congress have apparently assured the continuation of the summer feeding program so that in the summer of 1975 the children will indeed be serviced again. We commend the many men and women who dedicated themselves to the struggle and saw it crowned with success.

We are extremely pleased and wholeheartedly support some of the amendments that are being added to the bill. In particular, we urge the adoption of the following amendments: (a) USDA should provide advance payment and startup costs so that those involved in the management of the program can realistically and effectively prepare and maintain a successful program; (b) reduce the rate of low income children in areas being serviced from 50 percent eligibility to 33 percent, which will enable many more children to benefit from this program.

I would like to commend Senator McGovern and this committee for taking the leadership in this area and I am hopeful that those of us who are fortunate enough to have our steaks and not worry about where the next meal is coming from, will find the compassion and understanding to provide other Americans less fortunate than we are, with at least a humble but nutritious meal.

Finally, let us understand that America is after all one large family. Just as millions of families in America, hurt by the temporary economic setbacks, are earnestly considering their own cuts in their households and would only consider depriving their children of minimum food requirements as a last desperate move, likewise, our Nation, in its search for economy, should first deal with nonessential items. And the only time we could possibly consider depriving the poor of food is when we reach the hour of total despair. We have not reached this hour, and by the grace of God we never will. This is a great and righteous Nation; we shall again regain our strength and in fact, grow from strength to strength.

In closing, we wish to thank you again for the opportunity of testifying before your committee and to bring you the greetings from the thousands of young people we serve who thank you for helping them and for caring enough to fight for justice and righteousness.

Senator McGOVERN. Thank you very much, rabbi; that was a very moving statement.

Just for your information—you may already know this—we did get an emergency bill through to extend the summer program. That is on the President's desk right now. It is just a 90-day extension, but it does take care of the summer until we can get more permanent authorization.

Is Mr. Farber going to testify?

Mr. FARBER. No, not at this time.

Senator McGOVERN. We know that you operate one of the best programs in the Nation, rabbi, and we are very impressed with what is going on in your program. I am hopeful that this new legislation will be passed and it will enable you to do an even better job.

Rabbi GORODETSKY. Thank you very much.

Senator McGOVERN. Thank you for your patience.

We will recess now until 2 o'clock; and then we will open the hearing at that time with Mrs. Jeanne Nobel, president of the Maryland Food Committee.

AFTERNOON SESSION

Mr. JAMES THORNTON [professional staff member, presiding]. We are now going to reconvene the hearings. We have had some difficulty in getting our Senators back here due to many other conflicting demands upon their time this afternoon, both on the floor and before other committees. In the interest of conserving your time and finishing up these hearings, we have permission to proceed.

If Mrs. Jeanne Nobel will please come forward, we will proceed.

STATEMENT OF MRS. JEANNE NOBLE, PRESIDENT, MARYLAND FOOD COMMITTEE, INC., BALTIMORE, MD.

Mrs. NOBLE. I am Jeanne Noble and I am president of the Maryland Food Committee, which since 1969 has worked as a citizens' committee against hunger, dedicated to seeing that the hungry in Maryland are fed. We thank you for this opportunity to speak on the proposed child nutrition legislation. As an antihunger committee, one of our concerns is to see that poor people in Maryland receive maximum benefits from the various federally funded food programs and, since we began 6 years ago, we have studied school meals, summer lunch and day care feeding programs, monitored them, and worked to increase participation in them.

At the present time, the Maryland Food Committee is strongly opposed to substituting a block grant system of funding for child nutrition programs. In the future, this may be a desirable change, however, it will require several years of planning for this transition and should be designed as a way of expanding and upgrading child nutrition, while at the same time returning power to local jurisdictions.

This year's administration proposals, unfortunately, seem to be aimed at reducing the coverage and effectiveness of child nutrition efforts by lowering funds available and eliminating entirely the school breakfast program, special food service for children, the WIC program and the special milk program.

We feel that this is callous economy and that it spells disaster for child nutrition among low income people, both in Maryland and in the Nation. As the other speaker this morning has said, we do have to face the fact that we are in the midst of an economic crisis, which is the recession compounded by inflation.

We feel that there is ample evidence that hunger and malnutrition in children costs this Nation far more in dollars spent for medical care and corrective institutions than in dollars spent for nutrition programs. And from our perspective, the cost in human terms of undereducated, underemployed, sick and alienated persons is a national disgrace.

The first program I would like to talk about is the school lunch program, which of course, is the largest and oldest of the programs under consideration today. It was set up first of all of course, not just to use up surplus foods, but also to improve the nutrition and health of the Nation's children. Perhaps some of Maryland's experience would be helpful.

Our paid lunches have declined 10 million over the last 6 years. We have two exhibits attached which go into the participation of paid, free, and reduced lunches over these 6 years. We feel that this decline of 10 million is disastrous in terms of nutrition, especially in the face of the findings of the 16-State nutrition survey of the prevalence of nonnutrition among all schoolchildren, especially those in high school.

Our free lunches have increased steadily. In 1969, we had a total of 3.5 million free lunches; and this year, we have 23.7. That is the total number of meals.

However, the increase in our reduced price lunches has been pathetic, and that is particularly in view of the fact that 1975 is the first year that our State has used the maximum allowable Federal income guidelines. The Maryland Food Committee estimates conservatively that a minimum of 60,000 children at present levels, are eligible to receive reduced price lunches. Only 8,300 are receiving them. There are still five counties in Maryland, including our "Hunger County," Somerset, which offer no reduced price lunch.

When we look at the statistics, we should remember two facts. Maryland has by law mandated a school lunch program in every public school where needy children are fed, but the reduced price meals are the option of the principal. Second, because of the tremendous gains made in the total number of meals serviced, much of the equipment brought early in that period is now in need of replacement or extensive repair.

Therefore, we are recommending that this year's national school lunch legislation incorporate the following:

Income eligibility levels to 200 percent of poverty to assist the low income working, tax-paying poor, and mandatory reduced price lunches.

We think we need increased funds for nonfood assistance equipment.

And then, if a 10 cent additional subsidy to paying the child's lunch can be included without jeopardizing the legislation as a whole, we are in favor of it. Many States do not have mandatory school meals law that we have, and in such States, schools where most of the children are not eligible for a free or reduced price lunch may not be able to afford a lunch program if the middle income child cannot afford it. We think that 55 cents a day is too much for a middle income family with several children to have to pay for lunch, and that 35 to 40 cents might be more reasonable.

In the matter of commodities, we suggest some thought be given to providing cash in lieu of commodities to schools which have no kitchens, and have a high percentage of low income children, and must rely on catered meals to serve those children.

Exhibit I also give some Maryland statistics on the breakfast program. There are 10 counties out of 24 in Maryland without the breakfast program. Participation in the free breakfast programs at 9,500 a day in 1975 should be compared with the 131,000 free lunches served per day. The same children are eligible for each, but the school administrators can decide whether or not to implement the breakfast program. The proposed legislation extends the life of this valuable program and requires USDA to formulate plans for its expansion. Our experience in the Maryland Food Committee's experience in Baltimore City with the school breakfast program might be helpful.

We found that most parents did not know of the possibility of such a program, and when working mothers or low-income mothers found out about it they were eager to work with school principals to get the program going. In 6 months of parent participation, 20 schools were added to the program.

However, a breakfast program frequently requires additional equipment for refrigeration and storage of food. The energy crisis has reduced the frequency of milk and grocery deliveries. Moreover, because a breakfast program requires schools to open earlier, additional moneys are needed for aides to serve and supervise the program. Providing funds for salaries for aides would be in line with the congressional effort to provide jobs in a period of national economic slump.

We are recommending, therefore, that the breakfast program be continued indefinitely; insist that it be publicized to all parents each year; provide additional funds for equipment; and allow the cost of supervising aides to be counted as a cost of serving the meal.

The WIC program. You have had many people speak about the WIC program this morning, so I would like to just kind of summarize some of our testimony. I understand that the complete testimony will be included.

I would like to say that we in Maryland, the Maryland Food Committee had several pilot programs going for infant formula long before WIC was legislated. In fact, it was some of the findings of Dr. David Paige, a member of our board of directors, that provided the base data for the legislation. We found certain things in our experience that are valuable.

Where the iron fortified feeding programs are established, iron deficiency anemia among low income infants is markedly reduced. Before the Model Cities program was established, the incidence was nearly 54 percent, while afterwards it had decreased to 3 percent.

We feel that supplemental feeding is most important to the older infant and young toddler, 6 months to 2 years of age. These children, once they are on table food and have to compete with older siblings for the frequently inadequate family food, show signs of malnutrition unless their diet is supplemented.

Also we found that nutrition education would seem to be an invaluable aspect of these programs and should be provided. Young mothers need help in choosing foods wisely for these children, particularly when they are on a tight food budget.

Pregnant and lactating women in low income families obviously need supplemental nutrition, and we are concerned that Maryland has not submitted more requests for programs that include mothers.

Finally, one of the factors which delays implementing the WIC program is the present inadequate funding of administrative costs. We were able to get going a little faster in Maryland because of our long experience; nevertheless, it has been a handicap. We were happy to note in S. 850 the percentage of funds for administration is sharply increased and that administrative costs could include nutrition education.

The Maryland Food Committee has always thought of the WIC program as an experimental program. We believe it should be continued until a final report is given on its effectiveness, at least until 1978. But we believe there is another more urgent consideration at the moment.

By the end of this year, the only Federal funding available in Maryland for this type of supplemental food program will be WIC, and if we are to continue to serve the 8,000 infants presently receiving the supplemental foods and to finish enrolling the additional 8,000 authorized and serve them for 1 year, we must receive $4.9 million in fiscal year 1976. Therefore, we strongly urge that that program be funded nationally for at least $200 million in fiscal year 1976, preferably more, and since such funding must be available without delay, that funding continue to come from funds appropriated by section 32 of the act of August 24, 1937.

Also appended to this testimony is a letter from the Maryland State Department of Health WIC coordinator. She details some of the WIC experience that we have had in the State, and she also strongly urges continued funding.

However, we are not at this time recommending that WIC be made a permanent program. We believe that inadequate food income is basic to the malnutrition among pregnant women, infants and toddlers. Before WIC is made a permanent food supplement program, we think some thought should be given to whether drastic improvements in the food stamp program might not obviate the present urgent need for WIC and save the taxpayer the cost of maintaining the WIC bureaucracy.

The basic question, we feel, to be determined is this: in order to improve the nutrition and health care of these very vulnerable population groups, should WIC be maintained in its present design, or once the presence of a nutritional need is established, can that need be met with the improvement in the already existing programs?

The day care program we feel has some special problems. Centers for the care of young children are generally not part of the school system and are frequently run by organizations or individuals with minimal financial backing. For this reason, a program to assist such centers must involve a minimum of paper work and administrative red tape. Moveover, nutritious meals for young children, the group comprising most of the day care population, are an urgent necessity.

One of the groups of day care centers which has been neglected in previous special food service legislation is the family day care center. In Maryland, a majority of the youngest and most disadvantaged children in day care are in a family day care center. We, therefore, feel it urgent that these very vulnerable youngsters receive the benefit of this program. We would view with alarm, however, any effort to put day care meals under the school food service.

Therefore, we are strongly supporting legislation that expands and continues the day care program; provides flat per meal reimbursement rates similar to those of the school lunch program and more nearly approximates the cost of these meals; and provides a separate allocation for nonfood assistance. We are also urging special food service eligibility to include family day care centers.

Finally, with the summer lunch program, we are delighted that summer lunch funds have finally been provided for this summer. We feel this is one program which has proved its usefulness and deserves to be made part of our permanent child nutrition legislation. We therefore, are in favor of legislation to establish this program on a permanent basis, raise reimbursements in line with cost-of-living increases, and set deadlines for advance publication of regulations and gidelines by USDA so that participating agencies have time for adequate planning.

It has been an honor to testify before you, and we recognize the careful consideration you give to the use of our country's tax dollars and our national resources. In closing I would point out that we feel, and I am sure you do, our most invaluable and irreplaceable resources are our children and the provision of adequate food for them today is the only hope of a better tomorrow.

Mr. THORNTON. Thank you very much. I have a couple of questions on the reduced price program. Senator McGovern has introduced an amendment to S. 850 to increase the reduced price eligibility level. If that should be enacted into law, how much increased participation would you anticipate in Maryland?

Mrs. NOBEL. I think I would have to answer that the increased participation could be, depending on economic circumstances, of course, could be a large increase. I do think though that a lot depends on what the school food service does to encourage the schools to offer the reduced prices.

Mr. THORNTON. With respect to the breakfast program, it was mentioned earlier in these hearings, that apparently in some States and areas, one of the problems in getting an expansion of the breakfast program has been the early bus schedule and also the apparent inflexibility of the current regulations as to when the breakfast is to be offered, namely, that is must be offered prior to the beginning of the school day.

It was suggested that schools might be given the option of offering breakfast in the form of brunch, rather than as a breakfast which might help in expanding the program.

Mrs. NOBLE. Well, it might, but then, again, it might not. I think in our experience we have found that, really, it is the reluctance on the part of the school principals to increase their sometimes already hectic day, and this is humanly understandable, of course. I think what is needed, if that could be possible, it would be quite good, to have that flexibility, but, really, what is needed, I think, is parent involvement, telling parents that this program is available to their children, have them encourage their own school principal to have a breakfast program. This is how we have found that there is the greatest expansion in the school breakfast program. I think, left to the wishes of a very busy man, it may be that this would be a low priority.

Mr. THORNTON. With respect to the matter of food assistance for WIC-type recipients, is Maryland currently getting any benefits under the so-called commodity supplemental feeding program?

Mrs. NOBLE. I do not know, but I think not.

Mr. THORNTON. One quick comment on the summer lunch program. This bill—S. 1310—as it was sent to the President, merely authorizes the program; it does not provide for the funds. We had to make some changes with the House on that. They struck all the Senate's section 32 language, and we are now working with the Senate Appropriations Committee to provide the funds for this summer program beyond June 30. The legislation now on the President's desk does not provide for the funds. So, we still have some work to do with the Appropriations Committee regarding the funding for this summer's program.

Thank you very much. I appreciate your taking the time to come and your entire statement will be printed in the record.

[The prepared statement of Mrs. Noble follows:]

STATEMENT OF MRS. JEANNE NOBLE, PRESIDENT, MARYLAND FOOD COMMITTEE, INC., BALTIMORE, MD.

I am Jeanne Noble. President of the Maryland Food Committee which, since 1969, has worked as a citizens' committee against hunger, dedicated to seeing that the hungry in Maryland are fed. Thank you for this opportunity to speak on the proposed child nutrition legislation. As an anti-hunger committee, one of our concerns is to see that poor people in Maryland receive maximum benefits from the various federally funded food programs and, since our inception six years ago, we have studied School Meals, Summer Lunch and Daycare feeding programs, monitored them, and worked to increase participation in them.

At the present time, the Maryland Food Committee is strongly opposed to substituting a block grant system of funding for child nutrition programs. In the future, this may be a desirable change; however, it will require several years of planning for this transition and should be designed as a way of expanding and upgrading child nutrition, while at the same time returning power to local jurisdictions. This year's Administration proposals, unfortunately, seem to be aimed at reducing the coverage and effectiveness of child nutrition efforts by lowering funds available and eliminating entirely the following programs: School Breakfast, Special Food Service for children, Special Supplemental Foods for Women, Infants and Children, and the Special Milk Program.

This kind of callous economy measure spells disaster for child nutrition among low income people both in Maryland and in the nation. We must face the fact that we are in the midst of an economic crisis, a recession compounded by inflation. The poor and the large numbers of recently unemployed are literally fighting for survival. The prices of low cost food staples have increased 200%, a much larger percentage increase than that for beef and butter. There is ample evidence that hunger and malnutrition in children costs this nation far more in dollars spent for medical care and corrective institutions than dollars spent for nutrition programs. The cost, in human terms, of under-educated, under-employed, sick and alienated persons is a national disgrace. We are, therefore, happy to have this opportunity to speak to this committee on legislation that will permit continuation and expansion of all child nutrition programs.

SCHOOL LUNCH

By far, the largest and oldest of the programs under consideration today is the School Lunch Program which was originally established, not only to use up surplus foods, but also to improve the nutrition and health of the nation's children. The latter, hopefully, is still our goal. Perhaps Maryland's experience will be instructive. Exhibit I and IA compares participation: paid, free, and reduced for the past two years.

1. Paid lunches are declining; this is part of a steady trend over the last 5 years, which has seen a decline from the 1969 total of approximately 46 million to the present 36 million. This is a serious consideration if we are talking about child nutrition, particularly in the face of the findings of the Ten State Nutrition Survey of the prevalence of malnutrition among all school children, especially those in high school.

2. Free lunches have increased steadily, although the gains this year are less dramatic than in the past. In 1969, we had a total of 3,560,000 free lunches; this year 23,700,000.

3. Reduced price lunches—The increase has been pitiful, particularly in view of the fact that 1975 is the first year the state used the maximum allowable federal income guidelines. The Maryland Food Committee estimates conservatively that a minimum of 60,000 children, at present levels, are eligible to receive reduced price lunches. Only 8,300 are receiving them. There are still five counties in Maryland, including our "Hunger County", Somerset, which offer no reduced price lunch.

In looking at these statistics, two facts must be remembered. First, since 1970, Maryland has by law mandated a school meals program in every public school where needy children are fed free but reduced price meals are the option of the principal. Second, because of the tremendous gains made in the total number of meals served since 1969 (49.5 million to 63.7 million) much of the equipment bought early in that period is now in need of replacement or extensive repair.

Therefore, the Maryland Food Committee is recommending that this year's National School Lunch legislation incorporate the following:

1. Income eligibility levels to 200% of poverty to assist the low income working, tax-paying poor, and mandatory reduced price lunches;
2. Increased funds for non-food assistance equipment;
3. If a 10¢ additional subsidy to the paying child's lunch can be included without jeopardizing the legislation as a whole, we are in favor of it. Many states do not have a mandatory school meals law. In such states, schools where most of the children are not eligible for a free or reduced price lunch may not be able to afford a lunch program if middle income children cannot afford lunch. Several inner-city parochial schools in Baltimore with 40–50% free lunches have regretfully done just this. 55¢ a day is too much for a middle income family with several children to have to pay for lunch. 35–40¢ would be more reasonable.
4. In the matter of commodities, we suggest some thought be given to providing cash-in-lieu of commodities to schools which have no kitchens, have high percentages of low income children, and must rely on catered meals to serve those children.

SCHOOL BREAKFAST

Exhibit I also gives some Maryland statistics on the Breakfast Program. There are 10 counties out of 24 in Maryland without the Breakfast Program. Participation in the free breakfast programs at 9,583 per day in 1975 should be compared with the 131,667 free lunches served per day. The same number of children are eligible for each, but the school administrators can decide whether or not to implement the breakfast program. Proposed legislation extends the life of this valuable program indefinitely and requires USDA to formulate plans for its expansion. The Maryland Food Committee's experience with working to expand the breakfast program in Baltimore City is very helpful. We found most parents did not know of the possibility of such a program and when working mothers or low-income mothers found out about it they were eager to work with school principals to get the program going. In six months of parent participation, 20 schools were added to the program. However, a school breakfast program frequently requires additional equipment for refrigeration and storage of food; the energy crisis has reduced the frequency of milk and grocery deliveries. Moreover, because a breakfast program requires schools to open earlier, additional monies are needed for aides to serve and supervise the program. Providing funds for salaries for aides would be in line with the Congressional effort to provide jobs in a period of national economic slump.

We, therefore, recommend continuing the Breakfast Program indefinitely; insisting that it be publicized to all parents each year; providing additional funds for equipment; and, allowing the cost of "supervising" aides to be counted as a cost of serving the meal.

SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS AND CHILDREN (WIC)

The Maryland Food Committee since 1970 has been very much involved in the effort to provide adequate nutrition for infants at risk. It was the Cherry Hill Iron Fortified Infant Feeding Program funded by the Maryland Food Committee, as studied and reported by Dr. David Paige of our Board of Directors, which provided some of the base data which influenced the Congress in establishing the WIC program.

Besides several small pilot efforts at infant feeding funded by our Committee, Maryland has had two major infant feeding projects prior to the first WIC grant to the state in February, 1974. The first funded by HUD in 1969, included about 2,500 infants in Baltimore's Model Cities area. The second, funded by OEO in 1972, included about 2,000 babies on Maryland's Eastern Shore and in South Baltimore. In 1974, the state received its first WIC grants in Garrett county, Prince George's county, part of Anne Arundel county, Carroll county, and parts of Baltimore City—to feed a total of 2,500 infants, 1,000 toddlers and 80 women. In January, 1975, two more large WIC grants (for Baltimore City, Montgomery county and Calvert county) opened the way to supplement the nutrition of 12,000 more infants. As of March, 1975, Maryland had 7,000 infants on supplemental food programs (5,000 of these are WIC infants) plus 1,000 toddlers and 50 mothers on WIC. It is anticipated that very rapidly enrollment will reach the now 16,000 infants authorized under the state's WIC grants. In short, Maryland has had considerable experience over six years with supplemental food programs for infants and, for a shorter time, with programs for toddlers and pregnant women. Certain tentative conclusions can be drawn from this experience:

1. Where iron fortified feeding programs are established, iron deficiency anemia among low income infants is markedly reduced. Before the Model Cities program was established the incidence was nearly 54%, while afterwards it had decreased to 3%.
2. Supplemental infant feeding programs are most important to the older infant and young toddler, 6 months to 2 years of age. These children once they are on table food and have to compete with older siblings for the frequently inadequate family food, show signs of malnutrition unless this diet is supplemented.
3. Nutrition education would seem to be an invaluable aspect of these programs and should be provided. Young mothers need help in choosing foods wisely for these children, particularly when the family food budget is very tight.
4. Although pregnant and lactating women in low income families, particularly teenage mothers, obviously need supplemental nutrition, it is of concern to the Maryland Food Committee that Maryland has not submitted more requests for programs that include mothers.
5. Finally, one of the factors which delays implementing the WIC Program is the present inadequate funding of administrative costs. Maryland has implemented its WIC grants faster than most states because of our long experience; nevertheless, the low level of administrative funding is a handicap. We were happy to note in S. 850 the percentage of funds for administration is sharply increased and that administrative costs could include nutrition education.

The Maryland Food Committee has always thought of the WIC program as an experimental program. We believe it should be continued until a final report is given on its effectiveness—at least until 1978. But we believe there is another more urgent consideration at the moment. By the end of this year, the only funding available in Maryland for this sort of a supplemental food program will be WIC (HUD funding terminated in 1974; OEO funds terminate in September, 1975). If Maryland is to continue to serve the 8,000 infants presently receiving supplemental foods and to enroll the additional 8,000 authorized and serve them for one year, it must receive $4.9 million in FY '76. We understand that to continue all the presently authorized WIC programs in the country will take a minimum of $180 million. Therefore, we strongly urge that the program be funded for at least $200 million in FY '76, preferably more, and since such funding must be available without delay, that funding continue to come from funds appropriated by Section 32 of the Act of August 24, 1935, 7 USC 612(c).

However, we are not at this time recommending that WIC be made a permanent program. We believe that inadequate food income is basic to the malnutrition among pregnant women, infants, and toddlers, and that before WIC is made a permanent food supplement program some thought should be given to whether drastic improvements in the Food Stamp Program might not obviate the present urgent need for WIC and save the taxpayer the cost of maintaining the WIC bureaucracy. The basic question to be determined is whether, in the interests of improving both the nutrition and health care of these very vulnerable population groups, it is important to maintain WIC in its present design, or whether once the presence of a nutritional need is established, it is sufficient to meet that need with improvement in the already existing programs.

DAY CARE

The Special Food Service Program for Children presents some special problems. Centers for the care of young children are generally not part of a school system and are frequently run by organizations or individuals with minimal financial backing. For this reason, a program to assist such centers must involve a minimum of paper work and administrative red tape. On the other hand, nutritious meals for young children, the group comprising most of the day care population, are an urgent necessity as my previous remarks on the WIC program indicate.

One of the groups of day care centers which has been neglected in previous SFSP legislation is the family day care center. In Maryland, a majority of the youngest and most disadvantaged children in day care are in a family day care center. We, therefore, feel it urgent that these very vulnerable youngsters receive the benefit of this program. We would view with alarm, however, any effort to put day care meals under the School Food Service.

Therefore, we are strongly supporting legislation that expands and continues the day care program; provides flat per meal reimbursement rates similar to those of the School Lunch Program and more nearly approximates the cost of these meals; and provides a separate allocation for non-food assistance. (Otherwise, equipment needs may be used to justify the non-use of the "especially needy" category of day care funding to centers able to cope with the additional paper work necessary to 80:20 funding.) We are also urging SFSP eligibility to include family day care centers.

SUMMER LUNCH

We are delighted that summer lunch funds have finally been provided for this summer. This is one program which has proved its usefulness and deserves to be made part of our permanent child nutrition legislation. We, therefore, are in favor of legislation to establish this program on a permanent basis, raise reimbursements in line with cost-of-living increases, and set deadlines for advance publication of regulations and guidelines by USDA so that participating agencies have time for adequate planning.

It has been a great honor to testify before this committee and we recognize the careful consideration you give to the use of our country's tax dollars and national resources. In closing, I would point out that our most invaluable and irreplaceable resource is our children and the provision of adequate food for them today is the only hope of a better tomorrow.

EXHIBIT I.—MEALS SERVED IN MARYLAND PUBLIC SCHOOLS

	Fiscal year 1974		Fiscal year 1975, estimated	
	Per day	Total	Per day	Total
Total meals served	333,468	60,024,290	354,000	63,720,000
Paid lunches	202,096	36,380,090	200,000	36,000,000
Free lunches	115,944	20,869,824	131,667	23,700,000
Reduced lunches	3,764	677,690	8,333	1,500,000
Paid breakfast	2,711	487,953	4,000	720,000
Free breakfast	8,985	1,612,999	9,583	1,725,000
Reduced breakfast	140	25,153	417	75,000

EXHIBIT II.—TOTAL LUNCHES SERVED

Counties	Paid, free and reduced 1968-69 (no reduced)	Paid, free and reduced 1969-70 (no reduced)	Paid, free and reduced 1970-71	Paid, free and reduced 1971-72	Free and reduced only 1968-69 (no reduced)	Free and reduced only 1969-70 (no reduced)	Free and reduced only 1970-71	Free and reduced only 1971-72	Paid only 1968-69	Paid only 1969-70	Paid only 1970-71	Paid only 1971-72
Allegany	1, 857, 458	1, 919, 752	1, 891, 205	1, 854, 865	199, 095	194, 182	274, 714	386, 349	1, 658, 363	1, 725, 570	1, 616, 491	1, 468, 516
Anne Arundel	3, 479, 327	3, 431, 180	2, 995, 984	3, 526, 504	81, 028	164, 248	360, 911	698, 203	3, 398, 299	3, 266, 932	2, 635, 073	2, 828, 301
Baltimore Co.	7, 366, 960	6, 300, 795	3, 945, 896	3, 516, 767	137, 068	198, 153	327, 162	534, 675	7, 229, 892	6, 102, 642	3, 618, 734	2, 982, 092
Calvert	414, 858	535, 587	578, 742	672, 262	221, 160	255, 815	253, 940	341, 340	193, 698	279, 772	374, 802	330, 920
Caroline	452, 105	480, 010	465, 976	466, 056	57, 764	106, 999	111, 765	153, 935	394, 341	373, 011	354, 211	313, 121
Carroll	1, 320, 036	1, 414, 344	1, 368, 013	1, 517, 311	31, 163	52, 656	84, 896	133, 191	1, 288, 873	1, 361, 688	1, 283, 117	1, 384, 120
Cecil	875, 175	803, 261	930, 923	972, 111	10, 568	39, 680	123, 125	216, 285	864, 507	763, 582	809, 163	755, 826
Charles	839, 048	1, 010, 538	1, 188, 431	1, 292, 917	240, 958	315, 497	443, 958	582, 207	598, 090	695, 041	745, 473	710, 710
Dorchester	443, 829	453, 950	468, 963	537, 986	32, 600	109, 700	148, 538	252, 663	411, 229	344, 250	320, 425	285, 323
Frederick	1, 889, 342	1, 963, 698	1, 850, 308	1, 917, 520	162, 283	169, 953	280, 407	427, 356	1, 727, 059	1, 793, 745	1, 568, 911	1, 490, 164
Garrett	645, 946	747, 138	751, 646	791, 438	129, 312	256, 917	232, 567	275, 654	516, 634	490, 221	519, 079	515, 784
Harford	2, 232, 456	2, 359, 740	2, 341, 008	2, 371, 154	85, 332	102, 537	217, 155	367, 855	2, 147, 124	2, 257, 212	2, 123, 854	2, 003, 299
Howard	909, 714	901, 438	919, 960	1, 068, 288	61, 270	72, 652	107, 502	143, 953	848, 444	828, 787	832, 458	924, 335
Kent	291, 424	334, 901	300, 305	330, 836	10, 735	23, 269	51, 736	78, 509	280, 689	311, 632	248, 569	252, 327
Montgomery	5, 712, 110	5, 804, 339	5, 033, 137	4, 633, 162	147, 830	324, 276	475, 238	675, 557	5, 564, 280	4, 479, 063	4, 607, 899	3, 957, 605
Prince Georges	9, 881, 294	10, 827, 161	10, 913, 396	10, 145, 650	392, 726	727, 504	1, 238, 026	1, 894, 626	9, 488, 568	10, 199, 657	9, 754, 370	8, 250, 933
Queen Annes	396, 500	422, 906	406, 981	423, 582	22, 042	23, 976	39, 185	92, 190	574, 458	398, 930	367, 796	331, 392
St. Marys	678, 960	901, 808	953, 188	1, 025, 216	215, 771	416, 508	388, 903	476, 853	443, 189	485, 300	564, 285	548, 363
Somerset	218, 079	321, 204	335, 735	417, 696	174, 382	185, 517	152, 523	241, 121	43, 697	135, 692	183, 212	176, 575
Talbot	408, 512	440, 414	458, 259	480, 111	32, 495	49, 873	75, 941	113, 083	377, 017	390, 541	382, 318	367, 028
Washington	2, 103, 006	2, 183, 464	2, 328, 384	2, 389, 260	121, 051	68, 877	217, 618	423, 782	1, 981, 957	2, 114, 587	2, 110, 766	1, 965, 478
Wicomico	960, 014	1, 037, 562	1, 139, 228	1, 089, 169	19, 761	27, 984	159, 287	206, 389	940, 253	1, 009, 578	979, 941	882, 780
Worcester	551, 868	569, 403	523, 045	563, 833	35, 236	30, 971	40, 787	208, 277	516, 632	538, 432	482, 258	355, 561
Baltimore City	5, 623, 964	9, 780, 091	11, 218, 715	14, 381, 220	931, 052	5, 137, 280	8, 314, 738	11, 327, 132	4, 692, 912	4, 642, 811	2, 903, 977	3, 054, 088
Nonprofit private			1, 443, 042	1, 613, 360			432, 098	537, 454			1, 010, 944	1, 075, 906
Total, State	49, 552, 987	55, 824, 709	54, 879, 931	57, 998, 186	3, 562, 683	9, 835, 014	14, 533, 800	20, 788, 559	45, 990, 304	45, 989, 695	39, 654, 131	37, 211, 801

Note: Total lunches served data from annual statistical reports from the Maryland State Department of Education.

STATE OF MARYLAND,
DEPARTMENT OF HEALTH AND MENTAL HYGIENE,
Baltimore, Md., April 23, 1975.

MRS. SUSAN TIPPETT,
Executive Director, Maryland Food Committee,
Baltimore, Md.

DEAR MRS. TIPPETT: I am pleased to learn that the Maryland Food Committee will testify at hearings on the proposed WIC legislation this week. No group should have a better perspective concerning nutrition intervention programs for at-risk members of our society, since the Committee has been involved in intervention programs encompassing food assistance, research and education for longer than WIC has existed, and undoubtedly has excellent ideas for future direction of effort.

It is unnecessary for me to tell you how much the WIC program means to the 6000 participants in the seven project areas of the state, and how calamitous the extinction of the program at this time would be. Although Maryland filed twelve applications in August 1973, program approvals occurred slowly so that WIC enrollments did not begin in Maryland until April 1974 (except for one program in southern Anne Arundel County). Despite the fact that we could bring considerable experience in operating supplemental food assistance programs in conjunction with health services to the task of implementing the new WIC programs, it was a year of confusion, frustration and hard work for all the health staff involved. On this first anniversary so much is finally "ready to be" that it is difficult to even contemplate the waste of manpower, resources, enthusiasm and public interest that will result if the program cannot continue. Let me cite a few examples:

1. Maryland has been approved for about 12,500 new WIC participants since January 1, 1975, which represents a four-fold increase. The new programs are just getting underway, and since enrollment requires several months to build up, we will not approach the potential capacity of the program in Maryland before June. Since we were operating in excess of 85% capacity prior to the new program approvals, we know Maryland can continue to do this, but we need more time!

2. Our first infant participants, enrolled shortly after birth, are only now beginning to "graduate" from the program, giving us a chance to review the results of a full period of program benefits. If the program terminates, many enrollees will have received benefits for less than six months.

3. At least three counties which have never participated in this kind of supplemental feeding program have expressed interest in applying for WIC. This degree of concern and interest in nutrition intervention has taken considerable time to emerge, and curtailment of the program may discourage these areas from future participation in any nutrition intervention programs.

4. WIC has provided the impetus for community groups and official and nonofficial health agencies to explore ways to plan and implement a program together, but continued collaborative efforts will depend a great deal on this successful initial effort.

5. Finally, it is only now beginning to seem possible to embark on aspects of the program that may make it truly an integrated component of comprehensive health care and a positive educational experience, and not simply a food assistance program operated out of a health care facility.

The WIC program has helped to meet an important need in Maryland this year, and we are very anxious that it continue so that we can fully realize its potential. At the same time there are so many others at high nutritional risk who are not covered by the program that we hope efforts will continue to seek more comprehensive solutions to the problems of inadequate incomes and inadequate understanding of nutrition that underlie our nutrition problems in Maryland and in the nation.

Sincerely,

CAROL L. LOOMIS,
WIC Coordinator.

Mr. THORNTON. Dr. William Allen.

Would you kindly introduce your companions.

Dr. ALLEN. This is Mr. Bernard Conway, Chief Legal Officer of the ADA, and Mr. Weaver, Legislative Assistant in the Washington office.

I think, with your permission, I will just summarize my statement.

Mr. THORNTON. Your entire statement will appear in the record.

STATEMENT OF DR. WILLIAM E. ALLEN, MEMBER, COUNCIL ON LEGISLATION, THE AMERICAN DENTAL ASSOCIATION, PASADENA, CALIF.

Dr. ALLEN. I am William Allen, from Pasadena, Calif. In addition to maintaining a dental practice limited to the care of children, I am also a member of the American Dental Association's Council on Legislation. The association appreciates this opportunity to present its views on S. 1309, a bill to amend the National School Lunch Act, introduced by Senator Clifford P. Case of New Jersey.

The association strongly supports section 1 of the bill which would repeal that section of the Child Nutrition Act that now denies the Secretary of Agriculture the discretion to limit the sale of snack foods through vending machines in direct competition with the regular food service programs provided in school lunchrooms. The association is also pleased to support section 2 of the bill to establish school nutrition education programs. Nutrition education is a large and important part of the practice of preventive dentistry, and, with Congress considering national health insurance, reducing the incidence of dental decay or dental disease in children will ultimately reduce the cost of the Nation's total health bill.

The availability of confectionery and soft drink vending machines in schools is something that has concerned the Association since changes were made by Congress in the school lunch programs authorized under the Child Nutrition Act. The association opposed those changes, which opened the door to placement in schools of vending machines, and we continue to do so. Our opposition is not directed toward vending machines, as such, and, as a matter of fact, we support the addition to vending machines of such food items as milk, fruit juice, nuts, etc. The source of our opposition is that, weighing the conflicting claims, we think the balance clearly tips in favor of reestablishing the authority to regulate the sale of food items in competition with the programs carried out under the act just cited.

Dental disease is one of the prevalent diseases in children; it is also one of the most preventable. Reasonable adherence to a few simple rules of oral hygiene would prevent tooth decay from occurring.

Children suffer particularly from tooth decay. By the time a child is 14 years of age, more than a third of his teeth have already become decayed. It is hard to imagine another childhood ailment that is so preventable and, yet, so prevalent.

In this connection, the relationship between sugar-rich foods and tooth decay has been positively established as demonstrated in the research reports and bibliography attached to our full statement submitted for the record.

The association believes it would be in the best interests of the public health if all practical means were taken to limit the consumption of sugar in any form which fails to be combined with significant portions of other foods of high nutritional value.

Conclusive evidence has long been available concerning the hazards to dental health resulting from the undue consumption of sugars, and the hazards are especially great among school children. The sale of sugar-containing drinks and other confections in schools through vending machines encourages the between-meal consumption of sugar-rich products.

As with most situations, prudent choices must be made and the advantages and disadvantages of alternate choices must be weighed in the balance. However, permitting vending machines that offer sugar-rich foods which injure oral health and offer no genuine nutritional advantage, seem to us to be self-defeating.

And just a brief quote from the "Oklahoma Public Health Association Bulletin" which raises two significant questions. One is "Do the higher costs of health and dental care resulting from a high intake of sweets outweigh the profits derived by schools from the sale of candy and soft drinks?" and two, "Is it consistent to encourage the Government to spend millions of dollars for school lunches and then permit the schools to sell candy and soft drinks, which often compete with the sale of nutritious lunches?"

The American Dental Association strongly urges the inclusion of statutory authority to regulate the sale of food items in competition with programs authorized under the Child Nutrition Act. The association supports, therefore, Senate Bill 1309 introduced by Senator Case.

Mr. **Thornton**. As I recall, after the law was changed to permit local school districts to offer competitive foods in schools and, more particularly, during the lunch hours, some States and districts immediately moved to continue the prohibition that previously existed under the Federal regulation.

Do you have any idea as to how many States and areas, in fact, have done that?

Dr. **Allen**. No, I do not. I think the Dallas School System just recently did.

Mr. **Conway**. The school system in New York has done it.

Mr. **Thornton**. To what extent is your association conducting any kind of an education effort in this instance with State and local officials to point out to them the same things that you are pointing out to this committee with respect to the hazards and dangers you have mentioned in your testimony as well as the advisability of them placing certain restrictions on the offering of competitive foods?

Dr. **Allen**. Well, I think this is done mostly at the components of society levels. I think all our programs counsels on how they meet with school officials in our local school district. They have nothing but fruit and milk in vending machines in high schools in our school district. I think it is left up to the local components. There has been a great educational campaign though several other groups associated with the American Dental Association, the American Society of Preventive Dentistry, and other outlets, and I think American Society of Dentistry for Children, and I think there is an ongoing effort at the local level to influence local school boards.

Mr. **Thornton**. An earlier witness mentioned the possibility that the offering of certain competitive foods, especially prior to lunch hours, may also be contributing to increased plate-waste, that is by those students who grab a bottle of soda or a candy bar and then go through the line to get their lunch. It was suggested that this may curb their appetite sufficiently to increase their plate waste. Have you gone into that area at all in terms of collecting any evidence regarding that matter?

Dr. ALLEN. I think there is a lot of evidence from a nutritional standpoint saying that these kinds of foods are appetite robbers and that they do fill the children up, particularly soft drinks, for example, fill the children up and, therefore, they are not as hungry when they sit down to a normal meal.

Mr. THORNTON. Thank you very much. We appreciate your patience and your coming here to testify.

[The prepared statement of Dr. Allen follows:]

STATEMENT OF DR. WILLIAM E. ALLEN, MEMBER, COUNCIL ON LEGISLATION, THE AMERICAN DENTAL ASSOCIATION, PASADENA, CALIF.

Mr. Chairman and Members of the committee, I am Dr. William E. Allen from Pasadena, California. In addition to maintaining a dental practice limited to the care of children, I am also a member of the American Dental Association's Council on Legislation. The Association appreciates this opportunity to present its views on S. 1300, a bill to amend the National School Lunch Act, introduced by Senator Clifford P. Case of New Jersey.

The Association strongly supports section one of the bill which would repeal that section of the Child Nutrition Act that now denies the Secretary of Agriculture the discretion to limit the sale of snack foods through vending machines in direct competition with the regular food service programs provided in school lunchrooms. The Association is also pleased to support section two of the bill to establish school nutrition education programs. Nutrition education is a large and important part of the practice of preventive dentistry.

The Association concerns in this area are based on the experience of the over 100,000 active members who regularly witness the unnecessary decay of young, sound teeth by the misguided nutritional attitudes and habits of school age children.

The availability of confectionary and soft drink vending machines in schools is something that has concerned the Association since changes were made by Congress in the school lunch programs authorized under the Child Nutrition Act. The Association opposed those changes, which opened the door to placement in schools of vending machines, and we continue to do so. Our opposition is not directed toward vending machines as such. The source of our opposition is that, weighing the conflicting claims, we think the balance clearly tips in favor of reestablishing the authority to regulate the sale of food items in competition with the programs carried out under the act just cited. Briefly, these are the reasons that lead our Association to this position.

Dental disease is widely prevalent in the United States. Of the various manifestations of dental disease, tooth decay is by far the most common. It is also one of the most preventable. Reasonable adherence to a few simple rules of oral hygiene would prevent most tooth decay from occurring. One of those rules is to eat a balanced diet or, to put it more sharply in the negative, to avoid a diet heavy in sugar-rich foods. Such a rule is also of paramount importance with respect to a person's general health since most sugar-rich foods, advertising to the contrary, are of negligible nutritional value.

Children suffer particularly from tooth decay. By the time a child is 14 years of age, more than a third of his teeth have already become decayed. It is hard to imagine another childhood ailment that is so preventable and yet so prevalent.

In this connection, the relationship between sugar-rich foods and dental decay was positively established and recorded in the Journal of the American Dental Association, in a well-documented study published by the Council on Dental Health and the Council on Dental Therapeutics of the American Dental Association.

Because of the Associations' responsibility for safegurading the dental health of the American public, the Councils were charged to document the known or potential hazards to dental health resulting from the frequent consumption of sweetened beverages and other sugar-containing substances. The Councils concluded: "From the health point of view, it is desirable especially to have restriction of such use of sugar as is represented by the consumption of sweetened carbonated beverages and forms of candy which are of low nutritional value.

The Council believes it would be in the interest of the public health for all practical means to be taken to limit the consumption of sugar in any form in which it fails to be combined with significant proportions of other foods of high nutritive value."

Since that report, several independent studies have added to and amplified the conclusions reached by the Association's Councils. A partial listing of the most recent studies is appended to this statement.

In our previous statements to Congress on this matter, we stated our twofold concern. We share, first of all, the desire of all Americans that children be afforded diets that are high in nutritional value. The present school lunch program plays a valuable role in helping to assure this. It would be imprudent and, we think, unfair to the child to tempt him to ignore the well-balanced lunch available to him in favor of purchasing foods from vending machines that would be far less valuable in terms of his overall growth and development.

Secondly, we are concerned about the deleterious effect on the oral health of children that is the consequence of undue consumption of super-rich foods, many of which are commonly sold in vending machines.

Conclusive evidence has long been available concerning the hazards to dental health resulting from the undue consumption of sugars. The hazards are especially great among school-age children. The sale of sugar-containing drinks and other confections in schools through vending machines encourages the between-meal consumption of sugar-rich products.

Dentists have been bringing this evidence to the attention of their patients and the general public for decades. Sound oral health care involves disincentives against indulgence in sugar-rich snacks between meals, much less in place of well-balanced meals. Uncontrolled placement of food and drink vending machines purveying such products militates against the efforts being made by dentists, parents and schools to teach good oral hygiene habits to children.

Various forces are exerted upon a child during his formative years with respect to diet. Those that favor good dietary habits include, or should include, parental training by both precept and example, dental health education courses in school and regular visits to the dentist. A child that has all these benefits is fortunate indeed. A child who lacks one or more of them is, of course, even more vulnerable than he otherwise would be to the development of bad dietary habits.

The school experience, I think it can be agreed, it not a refuge from life but a preparation for it. Schools ought to be teaching their students about our total society, both its virtues and its drawbacks. But we don't think it is at all rational to desire or permit schools to themselves become a source of temptation toward the less satisfactory aspects of our life. It is irrational to ask a child to take a course in health education at 11:00 in the morning and, at noon, send him to a cafeteria where vending machines offer him an array of precisely those kinds of foods against which we just warned him.

As a child develops and approaches full maturity, it is true that he can rightfully expect to exercise greater freedom of choice at 16 than at 6. Again, however, that does not seem to our Association to be a sufficiently weighty argument to justify transforming the school into a source of supply for whatever some may desire if it distorts the central purpose of an educational institution.

It is also sometimes pointed out that the proceeds from vending machines sales are, in some schools, used for highly laudable purposes. That clearly poses a difficult problem. Every parent or parent-teacher group wants its school to have the finest equipment, resources materials and so forth. Schools are often hard pressed to find the funds to purchase what they should have. All of us, as citizens, need to be sympathetically alert to that need and be responsive in meeting it. When all is said and done, however, it is hardly defensible educational policy to tempt a child to injure his oral health in order for his school to have more athletic equipment or better band uniforms.

As in most situations, prudent choices must be made, the advantages and disadvantages of alternate choices must be weighed in the balance. However judged, machines that offer sugar-laden foods that injure oral health and offer no genuine nutritional advantage, seem to us to conflict with the intent of the School Lunch Program.

Before closing, I would like to quote in part from an article that appeared in the October, 1974 issue of the Oklahoma Dental Association Journal:

"Research during the past several decades has shown that there is a positive association between the amount and frequency of sugar eaten by children and their amount of tooth decay. When we consider the fact that elementary school children in Oklahoma need a mean average of $65 each in dental care, the monetary cost of eating sweets between meals becomes apparent.

"The Oklahoma Public Health Association recently passed a resolution calling the attention of school administrators and local government officials to the need for protecting the health of school children by eliminating the sale of sugar-rich food products from the schools. A typical response from school personnel has been, 'If we don't sell candy, the children just go across the street to get it, and maybe get run over. Why shouldn't we prevent accidents, and make money for ourselves by selling it in school?'

"If the school is not adequately supported and revenue must be obtained by supplementary methods, the sale of milk and fruit is preferable to the candy machines. Many students would buy milk, fruit juices, and fresh fruit in preference to candy and soft drinks if they had a choice.

"Candy and soft drinks are major sources of increased and 'empty' calories that contribute to overweight. When obesity is not corrected in childhood, the chances are poor for successful weight loss in adulthood. Infant mortality also is higher for offspring of mothers who are in a poor nutritional state.

"Parents, teachers, school administrators, and dental personnel should consider these questions:

—Is our belief in the need to control dental caries, obesity, and infant mortality important enough to stimulate a concerted effort toward the removal of candy and soft drink machines from schools?

—Do the higher costs of health and dental care resulting from a high intake of sweets outweigh the profits derived by schools from the sale of candy and soft drinks?

—Is it consistent to encourage the government to spend millions of dollars for school lunches, and then permit the schools to sell candy and soft drinks, which often compete with the sale of nutritious lunches?"

The American Dental Association strongly urges the inclusion of statutory authority to regulate the sale of food items in competition with programs authorized under the Child Nutrition Act. The Association supports S. 1309 introduced by Senator Case and hopes that these views will be placed in the permanent hearing record.

APPENDIX

RECENT STUDIES RELATING TO NUTRITION AND DENTAL HEALTH

William David, D.D.S., Lincoln, Nebraska: *The Physical Character of Food as a Dietary Factor in Dental Caries Control;* The Chronicle of the Omaha District Dental Society, Volume 33: Feb., 1969, Pages 179–180.

Eleanor J. Edmonds: *Diet and Dental Health;* Texas Dental Journal, Volume 88: May, 1970, Pages 21–22.

T. H. Grenby, BSC, Ph. D.: *Some Aspects of Food and Dental Caries;* Chemistry and Industry, Volume 28: September, 1968, Pages 1266–1270.

R. L. Hartles, Ph. D., DSC: *Dietary Modification as a Means of the Control of Dental Caries:* Dental Health, Volume 10: Autumn, 1971, Pages 47–51.

P. B. V. Hunter, BDS: *Sugar and Dental Decay;* School Dental Service Gazette, Volume 80: October 1970, Pages 59–60.

William H. Keeler, MD, MPH and John E. Higgins, D.D.S., Roanoke, Virginia; *The Indiscriminate Distribution of Sweets to Children as Favors or Captive Purchases;* Journal of the American Dental Association, Volume 75: October, 1967, Pages 903–907.

Ernest Newbrun, DMD, Ph. D.: *Sucrose, The Arch Criminal of Dental Caries;* Journal of Dentistry for Children, Volume 36: July-August, 1969, Pages 239–248.

Abraham E. Nizel, D.M.D., MSD: *Dental Caries: Protein? Fats and Carbohydrates;* A Literature Review, New York Dental Journal, Volume 35: February, 1969, Pages 71–81.

J. D. Palmer, BDS, LDS; *Dietary Habits at Bedtime in Relation to Dental Caries in Children,* British Dental Journal, Volume 13: April 6, 1971, Pages 288–293.

Solomon N. Rosenstein, D.D.S.: *Systemic and Environmental Factors in Rampant Caries;* New York State Dental Journal, Volume 32: November 1966, Pages 400–406.

Gordon Stevenson, MS: *Present Status of Programs to Control Dental Caries by Combining Lactobacillus Counts and Dietary Restriction of Carbohydrates;* Journal of Dental Education, Volume 35: June, 1971, Pages 41–42.

G. B. Winter, MB, BDS, FDS, DCH: *Sucrose and Cariogenesis;* British Dental Journal, Volume 124: May 7, 1968, Pages 407–411.

Mr. THURSTON. Col. Ellsworth Reiss.

STATEMENT OF COL. ELLSWORTH C. REISS (RET.), PRESIDENT, NATIONAL ASSOCIATION OF STATE AGENCIES FOR FOOD DISTRIBUTION, TRENTON, N.J.

Colonel REISS. It is my pleasure as the president of the National Association of State Agencies to appear before your committee in regard to Federal food commodities as portrayed in S. 850.

Recently, an amendment to H.R. 4222, which is similar to S. 850, eliminated so much as pertains to cereals, oils and shortening which, in value, would be over and above the ten cents per meal in commodity or cash allowance. Of course, the full committee in the House voted 35 ayes and 2 noes on the commodity part. However, when the bill reached the House floor the food commodities were married to an amendment with a 25 cent ceiling on lunches. This price ceiling on lunches went down in an overwhelming defeat which included the food commodities.

On page 45 of the House of Representatives Report 94-68 the minority views are as follows:

> The other provision is one mandating the purchase of specified commodities, cereals, oils and shortening, at the 1974 level of purchase in addition to the level of commodity purchases, or cash in lieu of commodities, which are now ten cents a meal with an escalator clause which could go to 11.1 cents next year. The cost of this addition is $79 million. Aside from cost, we believe that this provision is extremely unwise. Once the Congress starts mandating the purchase of certain commodities as opposed to others there may be no end to such requirements, and the Department of Agriculture may well be put in the position of not being able to take best advantage of market conditions. The reason cereals, oils and shortening as not purchased last year is that the Department of Agriculture concentrated very heavily on the purchase of high protein items such as beef, cheese and other meats; thus, from a nutrition standpoint, this was highly desirable. Thus supplied, they could make their own purchases of cereals and oils.

Gentlemen, this viewpoint is well taken, and it convinced many of the members of the House; however, other major important data was almost totally excluded.

Recently the President of the United States, through the Secretary of Agriculture, increased foreign aid under Public Law 480 from $1 billion to $1.6 billion involving food support. Public Law 480 pertains to donations of farm products to foreign governments, intergovernmental and voluntary agencies, and the World Food Program to relieve hunger, and for military and political reasons. I have a letter dated October 1, 1974 from the White House indicating that for the past 20 years, $25 billion of food commodities has been shipped to needy people in all parts of the world.

For your information, the U.S. Department of Agriculture during fiscal year 1974 purchased over $81 million in grains and over $25 million in oils and shortening for our domestic programs. Out of this total purchase, approximately $49 million in grains and $20 million in oils and shortening pertained to school lunch and other related programs. This amounts to approximately 4 percent of the total export program.

Gentlemen, do you think that Congress and the President can justify a $600 million increase in export programs and then turn down a $69 million request for our domestic programs? Is this beneficial to our taxpayers and to our domestic programs?

On July 16, 1974, the U.S. Department of Agriculture disseminated a letter titled "Food Distribution Program Policy." This policy letter eliminated all grain products and oils from the commodity lists, except for needy families and Supplemental Food Program recipients. In the past, these typical section 416 items have been available to schools and institutions on an open allocation basis. This policy letter has not been changed; however, during the week of April 13, 1975, the U.S. Department of Agriculture has made allocations to the State distributing agencies for peanut shortening and peanut salad oil. Sufficient quantities are being offered for fiscal year 1976 for school lunch programs. It is very confusing to try to determine the USDA policy when it changes in midstream.

During the fiscal year 1975, our domestic programs—schools, institutions, and so forth, were offered dry milk in large quantities. The State distributing agencies were informed by USDA that if the quantities offered were not accepted, the particular State concerned would lose the dollar value. Under the circumstances, most states accepted the quantities offered. During this same period the USDA did not offer flour. The USDA indicated that the recipient agencies in the Federal food programs could buy the flour at an equal or cheaper price than USDA. This was not true in the State of New Jersey. A survey was taken on local cost of 100 pounds of flour. Over 400 school districts responded. The results indicated that USDA could purchase flour $3.01 cheaper than local school districts. Savings to New Jersey on flour, all purpose, would have amounted to $45,000.

In fiscal year 1974 the USDA's total purchase of flour, all purpose, was approximately 270 million pounds. If recipient agencies only saved on an average of $2.00 per hundredweight, this would amount to approximately $5.4 million savings.

During the current fiscal year the recipient agencies cutback on the purchases of high cost flour. Because of the cut-back on flour, they will not be able to use the large amounts of dry milk on hand. This causes a problem for fiscal year 1976 because USDA had contemplated the purchase of over $27 million of dry milk. Since dry milk and flour are used in bakery products, and they normally go hand in hand, and the flour is not available from USDA, the recipient agencies would be forced to turn down quantities of dry milk offered in fiscal year 1976. This could pose a problem for USDA and the dairy industry. If flour is made available by USDA, most of this problem area could be eliminated.

Just another consideration, grains and oils have been used to support individuals in natural disaster areas in mass feeding operations.

Gentlemen, this is a point that I would like to bring out, that may have a little bearing on S. 850, but I think it is very important. Last year the USDA wanted to eliminate the food commodity program. Because of the USDA intention, the great State of Kansas dropped out of the program. What would have happened if all the rest of the States and territories dropped out of the program? I am certain that there would have been a much greater number of business failures because there would have been no Federal or State distributing organizations to assist in the removal of surplus and price support food items form the economy. Chaos would have prevailed.

During this current fiscal year, institutional programs received only two food items. This pertains to an area other than S. 850. It was the intent of the USDA that this program could be eliminated in fiscal year 1976 and the institutions would not miss the two items. The same theory was used for our summer camp program for underprivileged children. Even though the Congress under Public Law 93-347 extended these programs to June 30, 1977, the USDA has not funded them commencing July 1, 1975. The elimination of institutions and summer camp feeding programs affect at least 2.7 million participants in current programs. The major food items that these two programs received in the past have been in the grain and oil category, section 416 items.

Considering all the above facts, the following recommendations are made: No. 1. Since peanut oil and peanut shortening has been made available by USDA for fiscal year 1976 for schools, that these items be made available to all other related programs including institutions and summer camps. Out of the $69 million that I mentioned, $20 million was supposed to be for oils and shortening. This can now be reduced because the $20 million is being taken out of the current budget for next year.

No. 2. That our domestic food program requirements for grains, oils and shortening receive priority over export insomuch that pertains to political and military reasons. We agree that those individuals overseas that are in a starvation status should get first priority. Our domestic requirements would include school lunch, institutional, special feeding, summer camps, title VII, disaster and other related programs.

No. 3. That USDA make timely clarification of policy that is not confusing to Congress and State distribution agencies.

At this time I would also like to insert two items for the record. One involves Senator Allen's report to the people, and he states in here:

> Against $3.9 billion foreign aid giveaway, my opposition and my vote were against the bloated foreign aid giveaway appropriations bill. U.S. foreign aid and loans which could well reach over $22 billion in this fiscal year, offering something for everyone except the American taxpayer.

I would like to insert this in the record.

Mr. THORNTON. It will be inserted in the record.

I would also like to briefly report on a news release by Senator Proxmire who raps child nutrition program cuts, when he mentions the cost overruns on B1 bombers which amounted to three hundred and some odd million dollars. This is just cost overruns on 10 B1 bombers. This could underwrite many of our Federal food programs. Also, cost overruns on housing and construction of 269 recent Federal construction projects was 75 percent higher than original estimates, increasing from $76 billion to $133 billion, the General Accounting Office reported today. GAO said the cost of 59 of the nonmilitary construction projects soared from at least 2 to nearly 9 times the original estimates. These 59 projects accounted for $46 billion of the huge $57 billion total in cost overruns.

This is just to be brought out to indicate to you that proper priorities have not been set up, and I think that some of our food programs should get a better priority and not remain, on the tail end of all the programs.

Before closing I would like to mention that this past year was one of the best years our commodity distribution ever had. There were hardly no complaints from the field at all. During the past year some meat processors thought that they might be out of business. However, in New Jersey I have brought, during the past 6 months, approximately 12 processors into the processing of the beef into patties, salisbury steaks, meatballs, and many other items which the school cannot take time out to prepare. This is an expedient for that kitchen, and it has helped tremendously. At first the meat processors thought that they were being, more or less, pushed out of school business, but later I got telephone calls from a few of them and they said, Colonel Reiss, this is a terrific program, we do not have to go out and buy the beef, nor borrow the money from the bank to buy the beef; we can get it from you for nothing, and in the meantime our processing costs and our profits are still there. This is one thing that a lot of our commodity people are trying to do, "keep the small vendor in business, not out of business."

Mr. THORNTON. How much advance notice is given to schools on this whole question of commodities? At what point do they know what they are going to receive for a year with respect to commodities, both in terms of totals and the individual items that will be involved in that package?

Colonel REISS. This has been very difficult in the past on obtaining a list.

When I receive information I put it in a newsletter. In my newsletter it will mention the items that are on hand and that are due in, which gives the recipient agencies 30 to 60 days to include these items in their menu cycle, and it does help; I understand, USDA will come out in another couple of weeks with all the items that are supposed to be available for title VII.

Now, title VII is supposed to be married in with the school lunch program for purchasing and delivery, because title VII is very small in quantity and it would be lawfully expensive to ship the food items separately.

Mr. THORNTON. When you say title VII, you are talking about the Older Americans Act?

Colonel REISS. Yes. Title VII of the Older Americans Act. We were told that a list will be coming out within the next 2 weeks, telling us what the title VII program would have available for next year. And it contains all the items that we have had this past year, plus raisins, prunes and, of course, the two items I just mentioned which would be the peanut oil and peanut shortening.

Mr. THORNTON. What about flour?

Colonel REISS. No flour at all.

Mr. THORNTON. They have not, to this date at least, put flour back onto the donation list?

Colonel REISS. No.

Again, we can afford to spend millions of dollars for flour to be shipped overseas, but we have yet to receive 1 cent and flour from USDA this year for the lunch program.

Mr. THORNTON. In your testimony you say that the State distributing agencies were informed by USDA that if the certain quantities of dried milk offered were not accepted by any particular State, that such nonacceptance would result in that State losing a portion of its total dollar value in donated commodities.

Is that an unusual practice, or is that something that is done frequently?

Colonel Reiss. I would say that is very unusual. But this was the policy set up this past year if we did not accept a carload of dried milk that was worth $8,000, then the State concerned would lose that $8,000.

Mr. Thornton. Has your association, on behalf of the States, recently discussed this matter with the Department, including this relationship between the availability of flour and dried milk, in terms of getting an appropriate utilization of both commodities?

Colonel Reiss. I sat down in a conference in Orlando, Fla. last week with USDA officials from Washington, and they would not talk flour.

Mr. Thornton. You mean they just would not respond?

Colonel Reiss. They would not respond.

I think somebody up at the top has something against the grain people, because now we are getting the oils and shortening.

Mr. Thornton. I think that the Members on this committee from wheat States would be very interested in reviewing your testimony.

Thank you very much; we appreciate your patience and coming to testify.

[The following material was referred to on p. 262.]

"AGAINST" $3.9 BILLION FOREIGN AID GIVE-AWAY

(By Jim Allen)

My opposition and my vote were against the bloated foreign aid give-away appropriations bill. U.S. foreign aid and loans could well reach over $22 billion this fiscal year, offering something for everyone except the American taxpayer.

My opposition has not been an effort to return our country to isolationism. That day is long gone by. And I am well aware of and sympathetic with the humanitarian needs of refugees and other starving people in foreign lands. But if the U.S. is to meet its domestic and foreign obligations, we must establish realistic priorities and we must recognize the limits of our own capabilities.

Our assistance should go to those who need help and who are willing to help themselves. Those nations we have assisted in the past and who are now prosperous and self-sufficient must take over an equitable part of the responsibility for the security and development of the free world and for feeding the hungry throughout the world.

It is time for Congress to put commitments to the American people ahead of commitments to the rest of the world.

[From the Trentonian, Feb. 26, 1975]

COST OVERRUNS HIGH

The total cost of 269 recent federal construction projects was 75 per cent higher than original estimates, increasing from $76 billion to $133 billion, the General Accounting Office reported Tuesday.

GAO said that costs of 59 of the nonmilitary construction projects soared from at least two to nearly nine times the original estimates. Those 59 projects accounted for $46 billion of the huge $57 billion total in cost overruns.

GAO, Congress' auditing agency, said that engineering changes after projects were authorized—not inflation—were the most frequent reasons given by federal agencies for the cost overruns.

Proxmire Raps Child Nutrition Program Cuts

The amount of money the Agriculture Department wants to save by eliminating the active federal role in child nutrition programs roughly equals the cost overruns on 10 new B1 bombers, Sen. William Proxmire, D-Wis., estimated today.

The department wants to eliminate $350 million from several nutrition programs by converting them to a state-administered system of bloc-grant nutritional programs.

The money is "less than the cost overruns—the price of inefficiency—on 10 B1 bombers . . . But what will be the long-range cost of depriving schoolchildren and under-privileged mothers of the nourishment of milk they might not otherwise afford?" Proximire said.

The programs involved use nearly 6 percent of annual domestic milk production.

Proxmire said the Agriculture Department's budget proposal would drop that market for dairymen down to 1 percent of production for an industry already squeezed by falling demand and rising feed prices.

The proposed cuts would come from the special milk program that provides an extra half-pint of milk daily to needy schoolchildren; the school breakfast program that mainly serves children from poor families in inner-city areas and from rural homes far from school; the subsidies for school lunches except in the neediest cases; and the supplemental feeding program for women, infants and children.

Mr. THORNTON. Next we have Mr. Brian Wynne, assistant executive director, and Mr. Dan Lynch, executive secretary of the Association of Institutional Distributors.

STATEMENT OF BRIAN WYNNE, ASSISTANT EXECUTIVE DIRECTOR, ASSOCIATION OF INSTITUTIONAL DISTRIBUTORS, McLEAN, VA.

Mr. WYNNE. Thank you very much.

My name is Brian Wynne, and I am assistant executive director of the Association of Institutional Distributors.

The Association of Institutional Distributors—AID—is an organization of wholesale grocers engaged in the distribution of foods to institutions; for example, hospitals, schools and summer camps. We wish to express our sincere appreciation for this opportunity to discuss with you the child nutrition legislation which is presently under consideration.

AID commends the Congress for its longstanding commitment to the wholesome nutrition of our schoolchildren. A broad spectrum of America has concurred in his judgment. However, one criticism has consistently emerged regarding the efficacy of the school feeding programs; that is, that administrative cost inefficiencies have markedly diminished the return on the dollar invested by the American taxpayers in these programs. We have heard some of these concerns expressed today.

The term "cost" is crucial when one attempts to justify increased Federal expenditures for whatever worthy social programs which society may require. The Congress, itself, has responded to this issue with passage of the Budget Reform Act of 1974.

AID considers the school feeding programs so integral to our Nation's welfare that in no way would we wish to see passage of this vital legislation delayed. Nevertheless, we wish to propose to this committee today a mechanism for increased cost-effectiveness in the school feeding programs. The current administration of the commodity distribution program is an area in which considerable cost savings may be attained while at the same time bettering the quality of the program.

Under the system in use as reported by the Commission on Government Procurement to the Congress, December 31, 1972, commodities are purchased by the Department of Agriculture on a bid basis and in substantial quantities. These products are most often allocated to the States who in turn unload, warehouse and then redistribute the commodities to the end user. As a result, normal channels of institutional food distribution are in most cases completely excluded; thus, the institutions involved do not have access to the expertise, quality and economics of the present well-established channels of distribution. And inventories acquired by processors and distributors in anticipation of usage by the institutions are often rendered unnecessary because of replacement by Government purchases. This in turn causes increased tax burdens to the distributors holding the inventories, and is highly disruptive to the orderly flow of any particular product to feeding institutions on a year-round basis. There occurs an unecessary and disproportionate impact on the prices of commodities when large Government purchases are made.

In addition, the present program results in considerable problems and difficulties in the use of commodities at the institutional level. For example, products are often delivered in excessive amounts relative to the ability of the receiving institution to use or store them. Waste occurs and outside storage charges are incurred. Too, products are often available to institutions only in packages or forms not compatible with their needs or handling ability. Therefore, time and labor are wasted at the institutions. Also, because of the volume purchasing techniques, product selection and distribution on a nationwide basis often places in areas or institutions food products which are partially or wholly unacceptable to the eating habits and needs of those to be fed.

AID has historically advocated direct cash assistance to eligible institutions in lieu of USDA commodity purchasing and distribution as currently authorized in section 6 of the National School Lunch Act. Proponents for expanding USDA authority to purchase and distribute commodities make the argument that USDA, by virtue of its sheer size, can purchase foods at a more favorable price than the local wholesaler. However, as the Commission on Government Procurement reported:

> A firm of management consultants recently analyzed the redistribution aspects of the program for USDA. The costs of the redistribution program are not available or considered in the method of acquisition.

The question has been raised for some years now whether the landed cost of USDA's commodity distribution program is less than the cost paid by a school district using cash in lieu of commodities. Evidently, USDA purchases commodities at a very favorable price. Why, then, is there question as to the cost-effectiveness of the commodity distribution program? The Commission on Government Procurement answers this question:

> On the basis of price alone, the Government appears to be saving significantly by taking title of food products at origin and performing the distribution itself. When landed cost is considered, the situation is reversed.

Since the price of USDA-bought commodities is cheaper but the landed cost is more expensive, then the cost inefficiencies must be attributed to the distribution program.

Mr. Chairman, modification of the commodity distribution program provides a real opportunity for Congress to better the child nutrition programs. In view of the cost inefficiency of the distribution program as outlined above, the Association of Institutional Distributors proposes that USDA continue to purchase the commodities, and then utilize the existing commercial channels of distribution, thereby increasing the cost efficiency of the program. AID urges in particular that Congress delete from child nutrition legislation any provision which mandates a minimum level of USDA commodity purchases.

And if I may, right now, I would like to read a remark that was sent to Senator McGovern by the head of the New York School Food Service:

> Because the commodity program provides only 20 percent or less of the food purchases of a participating local agency, the program has lost most of its value. However, the U.S. Department of Agriculture can eliminate the current commodity program while still continuing to provide market assistance by providing a voucher system. The voucher system would provide a procedure through which the state agency could direct to the participating schools and institutions a voucher permitting them to buy a specific commodity which the USDA wishes to purchase on the open market. A school district or institution could purchase locally the specified commodity or return the voucher. A state procedure for purchasing in quantity could be established to insure favorable prices for the commodities purchased.

Also, as an example of another possible alternative, in the April 1975 issue of the "School Food Service Journal," published by the American School Food Services Association, Dr. John N. Perryman, publisher and editor in chief, there appears to be a reasonably valid compromise calling for the establishment of special school districts based on student population. These special districts—student population of over 2,500—would be given the option of receiving either cash per meal served or the share of commodities from USDA. All other school districts would continue to receive commodities as before.

A copy of this article, with the arguments, is attached to this statement.[1]

AID would not oppose such a compromise.

In sum, the institutional food distribution industry wishes to assist this committee and USDA in achieving greater cost-effectiveness in these programs. The Association of Institutional Distributors and its members see great progress ahead in the administration of school feeding programs through proper use of the established and more cost-efficient commercial channels of distribution. AID believes in the priority which Congress has assigned to adequate nutrition of our schoolchildren, and will do all in its power to aid in this effort.

Thank you very much.

Mr. THORNTON. Thank you, sir.

Would you like to add anything?

STATEMENT OF G. A. (DAN) LYNCH, EXECUTIVE SECRETARY, ASSOCIATION OF INSTITUTIONAL DISTRIBUTORS, McLEAN, VA.

Mr. LYNCH. I am Dan Lynch, executive secretary of the Association of Institutional Distributors. If I could have a minute or two, I would like to make this clarification, because I think from what I have heard today that there may be some confusion.

---

[1] See p.271.

As indicated by the head of the New York School Food Service, the institutional distributor calls on a school district, for example, once a week, supplying approximately 80 percent of their food requirements. Therefore, their overhead costs of delivery are already taken care of. Now, when you have USDA purchasing commodities—and I realize that section 32 funds, by law, must be used for surplus commodities except on special compensation granted by the Congress—they are then broken down and divided among the States, and the States must divide them among the school districts. For example, in Fairfax County, Virginia, if the USDA buys 10 carloads of commodities for the State of Virginia, the State makes a separation and perhaps Fairfax County is allotted one carload. Fairfax County school districts then have to apportion that carload among their approximately 150 schools. This results in a very costly tiering of distribution in addition to the waste that is involved due to the spoilage, etc. The system is then piled on another which has already paid overhead costs on delivery of 80 percent of their goods. So, in effect, they are paying twice. In the end, the taxpayer who pays the city, the county, the State, the Federal—all the taxes—is paying a great deal more than he would under another system.

Mr. THORNTON. Of course, when you provide this other 80 percent to the schools in terms of the food that they purchase with their cash, the price that is charged for that obviously includes your distribution costs.

Mr. LYNCH. This is correct.

Mr. THORNTON. That is being factored in there.

Mr. LYNCH. That is correct.

Mr. THORNTON. Are you familiar with the study that was published by the Department of Agriculture in February of this year on this very question. The study compares the costs incurred by USDA for commodity purchases and donations as compared to those incurred by schools utilizing cash at the local level. In summary, that study suggests the following: costs are similar for USDA and the largest school systems.

Mr. LYNCH. Maybe I should qualify that. I do not know your definition of "large," but in the metropolitan areas—and I have talked to a good many of the people and we have had some written comments outside this—we do have political problems and peer group problems. A good number of specific individuals responsible for the food service in the metropolitan school systems have indicated to me that it has cost them money to participate in the commodity program, and that there is practically no way this can be avoided. They also feel they could do a better job of feeding, based on making their own selections.

Mr. THORNTON. The study also suggests that for small schools, in rural areas in particular, the cost involved in making local food purchases—as opposed to what it costs USDA to purchase, donate, distribute, and deliver similar food to them—is more. On an overall basis, the study seems to suggest that costs per lunch are less for all school-sized groups. In other words, when you average out the comparative costs for all schools.

I think we recognize that there are some problems associated with the commodity distribution program, but as you also are aware, it is designed to serve several purposes. For instance, recently, due to the so-called beef surplus that we have in this Nation—several hundred million dollars worth of beef was purchased and made available through use of section 32 funds to the school systems.

I wonder, even with a voucher system, how effective that particular approach would have been under these circumstances.

Mr. LYNCH. Frankly, I do not see how there could be any appreciable difference in result. You can move paper easier, cheaper, and faster than you can move products.

Mr. THORNTON. With respect to the sales of meat which your local wholesalers sell to schools—especially hamburger-type meats, do you have any idea how much of that meat would likely be imported beef as opposed to U.S. beef—since your imported beef tends to be of a cut-canner type grade?

Mr. LYNCH. I cannot remember the exact figures on imported versus the domestic meat, but I think I would be correct in making the statement that the bulk of the meat sold by the institutional distributors to schools and to most institutions is domestic meat. I think there is very little from South America and Australia.

Mr. THORNTON. I gather from your testimony that you are suggesting a possible compromise; namely, a possibility of USDA continuing in their actual bulk-type purchases—and I assume for reasons of getting a better price break, plus, through specifications, get better quality.

Mr. WYNNE. Right; that is one compromise, and the school food service proposal is another compromise. But the point that you raised earlier regarding the larger areas versus the smaller areas—and in the article from the "School Food Service Journal," which is attached to the statement, they make that very point; that apparently the rural schools, perhaps, would be better off receiving commodities, but that for the larger institutions it is an administrative boondoggle. And as Mr. Lynch said, to push paper is much easier than to push products.

Mr. LYNCH. You see, the bulk of your population is in the metropolitan category, so, therefore, is the bulk of your distribution expenditures but the middle of the desert is a long way from a population area. There might be difficulties in properly servicing them; but even there, these people are getting the bulk of their food from institutional distributors. So, if they are already getting, say, 80 percent of their food from there——

Mr. THORNTON. There is another aspect of this. It seems to me, as the Government makes these purchases and transfers ownership of them over to the States for warehousing and later distribution to schools, etc., commodities are also basically available for use in the event any kind of a natural disaster occurs where such commodities can be utilized and made available almost immediately, through the Red Cross, etc. My point is that if we were to totally dismantle this system, would we not possibly make it more difficult for counselors to meet those kinds of situations?

Mr. LYNCH. Could I cite you an example of how this would work?

For example, we will take the State of Louisiana. The State of Louisiana has a contract with a company that has public warehouses, and the food received from USDA is stored in the public warehouses. And the public warehouses charge their going rate. Then, when one of the parishes has to take its draw down from this commercial warehouse, and pays the charges for delivery and that sort of thing, their actual figures show that under these circumstances it costs them more to receive items than it would cost them if they went out on the open market to buy them.

Now, if that public warehouse can receive items for school feeding, I do not see why they could not receive items for disaster relief or whatever purpose.

The State of Louisiana—whether it is the Governor or the legislature I am not sure—could designate public warehouses.

Mr. THORNTON. You are acknowledging, though, that this type of program does have that side benefit?

Mr. LYNCH. It could; I do not say that it does. I readily admit that it could. If items come in for a school and are utilized by a school and are bought and distributed for that purpose and in the amount that supposedly the school would utilize—if you got that at the very beginning of the school year, there might be sufficient commodity there to take care of a disaster; but what would happen, if in this parish of Louisiana, that a tornado struck this month or next month? In other words, you are not going to have that capacity at the end of the school year because the school hopefully will at least have utilized the commodities which were——

Mr. THORNTON. Well, the fact that other States in that same general vicinity have stocks on hand, that means you can draw them in very fast, because you would likely have a total disruption of both any Government stocks in the immediate area as well as any commercial.

Mr. LYNCH. This adds one more problem to the schools, but it does make it possible to take care of disasters. My understanding is that although the USDA maintains records and responsibility down to the time that the commodities are used, the Federal Government, in effect, turns over title to these commodities as soon as they are delivered to the State; then they are no longer property of USDA, legally. And if we will say, the commodities were the property of Louisiana, and Mississippi had a disaster, would you just say that there was a warehouse in New Orleans or Baton Rouge or wherever, that has the commodities stored for all the school districts in the State? I do not know what the legal ramifications would be.

Mr. THORNTON. I do not know the exact procedure, but I am sure it probably would take no more than a telephone call from one State to the next. But this may well be.

Mr. WYNNE. There are also a couple of other things which I think should be really brought out on the diseconomies of size when you have bulk purchasing.

This is a letter which was sent to Mr. Costello of the Food Distribution Service, USDA, and it is basically a complaint on the use of commodities. And for example, it complains that the additional labor to open size 2½ cans is nearly prohibitive in schools serving large numbers of children. Other such problems as all-purpose flour—this product is much more usable in smaller units inside the 50-pound sack. The additional packaging required does give added strength to the sacks. The cost of the sacks to be used to cover split and torn bags becomes an unnecessary and added expense for the privilege of using donated commodities.

Mr. Thornton. I think, again, those are things that are reflected in the study, insofar as bringing the comparative cost questions here more in line with the use of cash locally for the larger schools.

Mr. Lynch. The Commission on Government Procurement turned in a very good final report, in December of 1972. They did a very good job on that. They were very thorough and they had very knowledgeable people, and they went into it in great depth. I have gone through that volume III pretty thoroughly, and I think that it almost practically substantiates everything that we have thought for some time but have had a hard time securing all of the figures, because many people consider certain figures privileged information to an association or to competitors, whereas to a Government agency doing a study, they do not—knowing that they are not going to be identified—well, then, they are a little more free with the information that they have available.

Mr. Thornton. Thank you very much.

[The following material was referred to on p. 267.]

[From the School Foodservice Journal, April 1975]

Cash or Commodities—Which Will It Be?

Since USDA began pledging cash in lieu of commodities if commodities fell short of projected levels, school districts across the country have disagreed on which does school foodservice need—cash or commodities.

USDA is anxious to dispose of its commodity distribution program claiming that there are no longer surplus commodities to be removed. However, almost as Clayton Yeutter, then USDA Assistant Secretary for Marketing and Consumer Services and now Assistant Secretary for International Affairs and Commodity Programs—was proposing to Congress a cash-out system for schools and other groups receiving commodities, the United States Department of Agriculture was buying up beef in an effort to support the slumping cattle market (see "Commodities—Not Dead Yet", May, 1974 Journal, p. 14). Since then life has been breathed back into the food distribution program with USDA budgeting for commodities for Fiscal Year 1976.

Anticipating USDA's commodity phaseout, one state—Kansas—eliminated its distribution facilities. This state is eligible to receive cash in lieu of commodities (see "Bulletin", November/December, 1974 Journal, p. 4). At this point, other states do not have the option of phasing out their distribution centers in order to get cash.

Why do some districts want cash? Usually they are the large districts that have trained personnel familiar with sophisticated bidding techniques that assures them high-quality food items. These districts are large enough they can command a good price on direct purchases. And these districts claim they could put 10 cents per meal to better use than USDA does.

On the other hand, smaller districts would be strapped without commodities. They don't have the personnel to make sophisticated bids nor the volume to command competitive prices. And in the case of out-of-the-way districts, purveyors simply won't deliver to them. By supplying these districts with commodities, USDA also supplies them with a good quality product at a competitive price.

Are the horns of small and large districts locked over the cash/commodity issue to such an extent that both will suffer and neither will win? Perhaps not. Thelma Becker, school foodservice supervisor of Souderton Area (Pennsylvania) School District and member of the President's National Advisory Council on Child Nutrition, has a proposal (see "National Advisory Council on Child Nutrition Gains Two School Foodservicers", April, 1974 Journal, p. 27).

While recognizing the arguments of large districts for cash and small districts for commodities, Mrs. Becker proposed to the advisory council at a recent state directors meeting here that:

"1. USDA with the cooperation of state commodity and food and nutrition directors, develop a guideline that would be determined by each district's student population. For example, a school district with more than 2500 students would be considered a 'special district'.

"2. These special districts be given the *option* of either cash per meal served (available funds to coincide with the fiscal year) *or* the share of commodities from USDA.

"3. Special districts be required to make the decision for a fiscal year in advance so that USDA will be able to determine how much will be required for this aspect.

"4. All other school districts receive commodities on the basis of meals served to the extent of purchases by USDA plus short-fall funds when monies remain after such purchases."

This proposal is under consideration by the Advisory Council, which has only recomendation authority to USDA. It's a compromise, yes but at least it would allow both sides of the cash, comodity issue to win.

Mr. THORNTON. Our next witness is Dr. George C. Cunningham, chief of material and child health unit, California Department of Health, Sacramento, Calif.

Thank you very much for your patience. You may proceed.

STATEMENT OF GEORGE C. CUNNINGHAM, CHIEF, MATERNAL AND CHILD HEALTH UNIT, CALIFORNIA DEPARTMENT OF HEALTH, SACRAMENTO, CALIF., REPRESENTING THE ASSOCIATION OF STATE AND TERRITORIAL MATERNAL AND CHILD HEALTH AND CRIPPLED CHILDREN DIRECTORS

Mr. CUNNINGHAM. My name is George Cunningham, and for purposes of the record I am representing the Association of State and Territorial Maternal and Child Health and Crippled Children Directors, the California State Department of Health maternal and child health program, and am currently directing the largest WIC program in the Nation. I would like to address my testimony to section 16 of S. 850, special supplemental food program.

The first point I would like to make is that the program is one of the most significant and effective programs promoting infant health in recent times, and I would like to register the support of the association, and the State, and the California WIC program for S. 850. I am not going to repeat the statements of previous speakers supporting the necessity for increasing funding levels to $300 million, the need for 25-percent administrative expenses, nutrition education services, startup costs and provision for advance payment to States, but merely would like to indicate my strong concurrence and support for those additions.

I would like to insert here, though, some comments in view of the morning testimony, about the administrative expenses. Our administrative expenses in California are generally within the 10-percent limit, but I think the key point in the statement made this morning is that they were "getting by" with 7 percent. I can "get by" with any administrative allowance that you want. I have 7 people that cover the State of California with 20,040,000 population. As a program that is constantly hanging on by its fingernails in terms of costs, we cannot assure the same degree of quality control, efficiency, corrective action against misuse and overall accountability with the very limited staff that we have. This we could provide given adequate staff, so there has to be a balance between having one person in the State handing out millions of dollars worth of vouchers and very little followup, very little accountability, very little control, and the opposite of having a huge State bureaucracy overweighing and overcontrolling and itemizing and checking on every single aspect of the program. I think that 25-percent administrative expense is that reasonable compromise figure, and I support the necessity for limiting overall administrative expenses.

Mr. THORNTON. When you say administrative expenses, you are saying that within that 25-percent figure you would see utilizing some of that for things like nutrition education and certain other ancillary services?

Mr. CUNNINGHAM. Exactly.

Mr. THORNTON. Normally then, one could say that they were not really administrative expenses, as they are ancillary expenses?

Mr. CUNNINGHAM. That is a valid point. The administrative expense is loosely used in connection with this program, but administrative expenses are going to be high in themselves. For example, I could issue one voucher to each woman and she could go to the grocery store and load up with all of this food in one shot. On the other hand, I could give her one voucher for every carton of milk and every dozen of eggs which would give her maximum flexibility, but which would run my administrative expenses way up. We have a compromise, we try to package this into one voucher for three dozen eggs, and one voucher for three half gallons of milk and so forth so that we have an intermediate number of vouchers. These are——

Mr. THORNTON. Why couldn't you just develop a voucher which would divide items that they could check off?

Mr. CUNNINGHAM [continuing]. If she didn't get the whole food package, she would have to get another voucher. In other words, we get charged per transaction for each voucher.

Mr. THORNTON. But I gather in some instances it may only be a quart of milk and in the next instance it may be a more complete package?

Mr. CUNNINGHAM. Ultimately they get a complete package, but it is prepackaged in manageable units. So those are the variations that are considered in the administration.

But the main reason that I would like to testify on is to raise a point which I have not heard previously raised; namely the need for prompt action. These programs are administered through State health agencies most of which, like California, operate on a balanced budget system. Unless the State has a letter of credit notifying us of the award of funds by June 30, 1975, there will be complete disruption of the program. Our contracts with 36 local agencies to distribute food vouchers terminate June 30, 1975. No new vouchers may be printed and the contract for banking services will have to be renegotiated. State staff have received notice of termination effective June 30, 1975.

This would result in 40,000 women and their infants being informed that WIC vouchers were not available with predictable loss of credibility and trust in Government health programs and concomitant hardship and hostility. It would take the States 3 to 6 months to reestablish these programs with loss of time and additional unnecessary expense. It is urgent that whatever the mechanism of funding and whatever the procedures in term or continuation of funding have to be employed, but it is urgent that there be no hiatus in funding, and this matter should receive the constant attention of the committee.

With regard to the bill itself, S. 850, there is one point that needs emphasis in the bill, and that is the preventative nature of this program. I believe, from the testimony and from everything that I have heard, and from my previous trips to Washington on this program, it is clearly the Congress intention to prevent malnutrition and the accompanying maldevelopment rather than to treat it. We have had a continuing dialogue with USDA on this point. The term "at risk" means to me, may develop anemia, not is anemic. And USDA has insisted and California has received criticism on their eligibility determination procedures insofar as each patient or each participant should have a determination made to show that she is anemic, that she has had a premature infant, that she is underweight, that the child is underdeveloped, and this loses the preventative focus of preventing the occurrence of anemia, prematurity, and inadequate growth. I think that a statement of legislative intent on this point would be most helpful to us and to USDA in presenting their regulations.

Mr. THORNTON. Just one question: how does one draw the line between determining when somebody has a potential for developing anemia as opposed to someone that can be medically determined as being anemic?

Mr. CUNNINGHAM. I think the testimony this morning which has shown a strong correlation between nutritional defects and certain things like poverty and low income and the judgment of competent medical professionals in terms of taking an interview and taking past history, taking some information about dietary practices, available food budgets would allow them to say that this person is very highly likely.

Mr. THORNTON. You say that could be ascertained medically?

Mr. CUNNINGHAM. Yes, that would be up to the people in the clinics as part of their intake. These health clinic programs are frequently used by low-income women who are a risk almost by the nature of self-selection.

Another point which I may to some degree mention is that there are additional spinoffs of this program. For example, in California attendance at health clinics that have the program has been improved and less appointments are missed, 150 paraprofessional community people and a similar number of professionals are employed, full or part time, in this program, one half million dollars a month is distributed into the food distribution and agribusiness area of the economy. New health resources have been developed in areas previously underserved.

It is important to make clear one distinction in this respect. I would like to take issue with the testimony of the woman from the Maryland food program. I feel that WIC should be instituted as a permanent program because of its unique nature and no longer required as a demonstrational program. And I would disagree with her that it could be phased into the food stamp program. Food stamps, for example, require recipients to go to the welfare department. They fill out in California a 14-page form, they wait for the determination of eligibility, sometimes extensive wait, they go to a bank or other food stamp distributing source, they buy the stamps and exchange food stamps for foods of questionable nutritional value, all without health care or nutrition education. WIC is restricted to high risk low-income women who are determined eligible at a health clinic by a simple procedure, vouchers are distributed at the same time with health care and nutrition education and can be redeemed only for specific foods of high nutritional value. They are supplemental to their basic food stamp entitlement and to any program that they are going to have. So that I would think independent of the food program and independent of the consolidation of other programs, that there would be a continuing need for this particular unique WIC program. Obviously school based feeding programs cannot reach pregnant women and small infants in this connection.

I would like to say that we also reject the concept and proposal of the block grant approach, since it obviously does not meet this need. An additional reservation that we have about the block grant approach is that the way most of these programs are administered, the State agency which would be formulating and making decisions in running the block grant program probably would be the State educational agency, and that agency is not a health oriented agency. Most speakers connect food, nutrition, and health together. Most school districts see feeding programs as an additional administrative burden.

Mr. THORNTON. What you are saying here is we have a very valuable link between nutrition and health.

Mr. CUNNINGHAM. That is right. As a matter of fact, it occurred to me in connection with this last presentation and maybe the reverse is true. Maybe if the health agency ran and gave the school district vouchers to go out and get food and monitored the health standards and health education component in the program, it might tie the food closer to health and less to the logistics of having all the kids assembled in one physical place.

Mr. THORNTON. What is California's current authorized caseload?

Mr. CUNNINGHAM. About 62,000 or 63,000, approximately.

Mr. THORNTON. What percent are you reaching?

Mr. CUNNINGHAM. We are reaching about two-thirds at this point. California has a constantly growing caseload. We had four new programs added as recently as April 1.

Mr. THORNTON. When would you expect to reach that authorized caseload level?

Mr. CUNNINGHAM. Well, if the program continues we will reach it by next year.

Mr. THORNTON. Is the State of California currently putting in any additional monies or staff or any kind of services to the WIC program?

Mr. CUNNINGHAM. The answer to that would be "No." We have put additional resources in, but they are also Federal resources. These are maternal and child health funds under social security title 5. It is part of that operation. We utilize our nutritional resources to supplement that. Our medical people go out and inspect the clinics, our nurses can provide consultation, we have $50,000 in a prenatal nutrition education program with March of Dimes and the California Association of Maternal and Child Health. The March of Dimes has contributed $10,000 for our nutrition education. In some of these programs that is not an eligible expense, so that, in that sense, the additional efforts being put into it, with the exception of the March of Dimes contribution of $10,000, is still ultimately Federal money.

Mr. THORNTON. Do you feel that the State should eventually get directly involved by way of financial contributions in this type of program effort?

Mr. CUNNINGHAM. Obviously, the State has not taken any official position on this, but that seems to me to be not an unreasonable expectation to expect the State to come up with some of the money.

Mr. THORNTON. How much is the State of California, for instance, expending annually in so-called institutional care type of facilities?

Mr. CUNNINGHAM. I do not have any idea of the total figure, but the State does spend a considerable amount of money in that area. I would say our experience with matching grants in the past has been pretty good. We considerably overmatched the maternal and child health grant. The crippled children's grant is predominantly State money now, it is something close to 80-percent State money. The family planning grants which are a 9 to 1 match, the State now is $4 million over and above the required match on that program.

Mr. THORNTON. So you are suggesting that if the WIC program were to be made a permanent program or at least a much longer term program than is currently the case, there is a reasonable likelihood that the State of California might actually begin contributing some of its own funds to help expand the program?

Mr. CUNNINGHAM. I think that they would find the program so valuable that if matching was a requirement, they would make the match to meet it. On the other hand, I think that without a requirement I would not be optimistic that the State would put up any money.

Mr. THORNTON. Have you, or are you in any way contemplating in the State trying to make, some kind of assessment as to what percent of your institutional type care that you are currently having to provide might be attributable to some of these earlier malnutrition problems?

Mr. CUNNINGHAM. Yes, we are. I think it is really an active effort on the part of the new administration to evaluate the cost effectiveness of preventive services and to look at this whole question. There are several proposals now in the very serious discussion stage to shift resources into that area.

The last thing I would like to say in closing is the comment about priorities which has already been made before, but I would like to expand that just a little bit. It makes sense that some of the previous speakers have spoken of the M & I project and other resources having been put the nutritional component into this program and so forth, and we have done this in California. It should be noted that those programs are also slated for cuts, and the maternal and child health programs are slated for $83 million cuts. Migrant health programs who carry WIC programs in California have a $5 million cut.

Comprehensive neighborhood health center programs will also have a cut so that it is going to be increasingly difficult for them to maintain any kind of nutrition education program or stretch their resources.

I had $10 million last year in MCH and I have got an allotment of $8 million this year, so that it makes it all the more crucial that S. 850 be passed with these funds to provide the nutrition education component. And I think that just to use another comparison, the $11 million which we have in our authorized letter of credit for WIC would build 11 miles of freeway in California, and that is what I have to feed 40,000 participants. We are now distributing half a million dollars worth of food a month, and I think that is a much more worthwhile investment.

In closing, I cannot refrain from commenting on the distorted priorities of the administration in requesting hundreds of millions of dollars for military and short-term domestic aid for Southeast Asia, while at the same time recommending termination of an obviously needed and popular feeding program for high risk low-income women and children in this country. I am confident that the Congress has a more rational perspective on priorities and will support the continuation of this successful program.

Mr. THORNTON. Doctor, thank you very kindly for coming all the way from California to give your testimony and also for your patience here in waiting all afternoon.

With the completion of this testimony, the hearing will now adjourn, and the record will remain open until May 2 for any additional statements.

[Whereupon, at 3:35 p.m., the hearing was adjourned.]

ADDITIONAL STATEMENTS FOR THE RECORD

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
Washington, D.C., March 27, 1975.

The Honorable HERMAN TALMADGE,
Chairman, Agriculture and Forestry Committee, U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN, Enclosed is a resolution I have received from the Bismarck-Mandan Nutrition Council of Bismarck, North Dakota, expressing support for S. 850, the School Lunch and Child Nutrition Act Amendments of 1975. The Council has requested that this resolution be submitted as testimony when your committee takes up S. 850. Anything you could do to facilitate this would be appreciated.

With kind regards, I am
Sincerely,

QUENTIN N. BURDICK.

Enclosure.

RESOLUTION

The FY 1976 proposed federal budget contains a block grant for child nutrition programs and reduces or eliminates such food assistance programs as:

The Supplemental Food Program for Women, Infants and Children (WIC).

Child Nutrition Programs, e.g.: School Breakfasts. School Lunch Reimbursements (Section 4). Free and Reduced School Lunches. Non-School Feeding (Child Day Care, Head Start, and Summer Feeding). Commodity Foods, Non-Food Assistance, and Special Milk Program.

Termination and/or reduction of these programs would create a health hazard to millions of children.

Be it resolved, that the Bismarck-Mandan (N.D.) Nutrition Council, Inc., support legislation for continuation, expansion and adequate funding of the above food assistance programs which are included in S. 380.

STATE OF NEW JERSEY,
WASHINGTON OFFICE,
Washington, D.C., April 30, 1975.

THE HONORABLE HERMAN E. TALMADGE,
Chairman, Committee on Agriculture and Forestry,
U.S. Senate, Washington, D.C.

DEAR SENATOR TALMADGE: On behalf of the Governor's Office, I am submitting to you the positions of the State of New Jersey on the proposed School Lunch, Child Nutrition, and nutrition-related legislation now before your Committee.

The enclosed statements represent the effort of the Governor's office to secure the detailed input of each State Agency and Department which is involved in the administration and implementation of these nutrition programs.

Among the recommendations we would like to put forth to the Agriculture Committee are the following:

(1) Strengthening of the School Breakfast Program by making it permanent.

(2) Extending the benefits of reduced-priced meals from 75% to 100% above the present poverty guidelines. This is especially critical for New Jersey.

(3) Increasing the regular and maximum rates of reimbursement under the Special Summer Feeding Program. The Senate provisions of S. 850 are extremely significant, providing for a per meal escalator clause tied to the Consumer Price Index, plus the extension of eligibility for participation.

(4) Support for the provisions of S. 850 as they relate to the Special Food Service Program inasmuch as New Jersey can demonstrate a clear need for expansion of food service programs for day care centers. In New Jersey alone, there are over 70 unsolicited applications for programs serving almost 5,000 young children that cannot be supported because of inadequate financial resources.

(5) Increasing administrative funds available to State Agencies which demonstrate an effective capacity to implement and coordinate the growing range of child nutrition programs. If these programs are to be coordinated effectively, reconsideration of the administrative costs is in order.

New Jersey has a strong, proven record in administering the School Breakfast and School Lunch Program. But now the Department will have to significantly expand its responsibilities to handle:

—an expanded School Breakfast program, and School Lunch Program,
—expanding services beyond traditional public and non-public schools,
—administering the Special Food Service Program to an increased number of sponsors, and initiating a program of Non-Food (equipment) Assistance in day-care centers.

(6) Making WIC a national permanent program as proposed in S. 850, ensuring its continuation on stronger grounds, such as

(7) Increasing administrative cost funds from 10% to 25%, including an earmarking of program funds for a nutrition and outreach component.

(8) Including cereals, oils and shortening in the Commodity Section of S. 850, opposing their elimination as presently proposed in H.R. 4222. New Jersey feels this is important if a significantly high-protein program is to be made available to schools, institutions and summer camps in New Jersey.

These eight points outlined above are expanded upon in further detail in the attached statements from the Commissioner of Education in New Jersey, the Commissioner of Health, and representatives of our Department of Agriculture.

We strongly urge you and your Committee to consider these recommendations as you continue to review S. 850 and related bills. The leadership of the Senate and your Committee in these issues is most sincerely appreciated and recognized. We would be pleased to provide you or your staff with any additional background material you might require on our positions.

Sincerely,

MARILYN A. BERRY,
Director.

STATE OF NEW JERSEY,
DEPARTMENT OF EDUCATION,
Trenton, N.J., April 25, 1975.

Senator HERMAN E. TALMADGE,
Chairman, Senate Committee on Agriculture and Forestry, Senate Office Building, Washington, D.C.

DEAR SENATOR TALMADGE: My purposes in writing this letter are to voice my unqualified support for Senate Bill 850 and to offer suggestions that I believe will improve the administration of the act at the State level.

I feel strongly that this kind of legislation is essential for us to continue in our attempts to meet the nutritional needs of children. To permit the Child Nutrition Program to be crippled by the administration's proposal of a "block grant"—a block grant with drastically reduced funding—would be disastrous.

"SCHOOL BREAKFAST PROGRAM"

The School Breakfast Program, that Senate Bill 850 would extend beyond June 30, 1975, may appear to be insignificant when compared to the National School Lunch Program. This morning only 13,607 schools in the Nation served 1,604,315 children under this program. However this program, originally by legislative limitations and now by administrative decision, has been channeled specifically to schools serving a high percentage of poor children. At the present time, more than 80% of the breakfasts served in our Nation's schools are served free of charge to poor children.

Of the 34,479 schools in our Nation with high percentages of low-income children only 1,548, or 4½%, presently participate in the program.

The number of needy children not being reached is estimated to be in excess of 190,000 in our State alone. To make this program permanent will give us and local school districts a continuing opportunity to reach these children.

"REDUCED-PRICE MEALS"

The provision to extend the benefits of reduced-price meals from 75% to 100% above the Secretary's Guidelines is a much needed benefit to children. In New Jersey this increased eligibility for reduced-price meals is especially important because of the high cost of living as well as the critical 11% unemployment rate.

Realizing the importance of serving reduced-price meals, our State elected representatives have mandated that schools participating in the Lunch Program offer both free and reduced-price lunches.

"SUMMER FEEDING PROGRAM"

Last summer, 1,745,000 poor children throughout the country were served under the Summer Feeding Program. Although this figure shows progress over past years, when compared to Child Nutrition Progress data, we realize that we are reaching less than 20% of the needy children served under the National School Lunch Program.

This spring we are in the process of promoting and organizing a program, scheduled to feed children this summer, that may expire on June 30—an impossible task with such legislative, regulatory, and fiscal uncertainties.

The extension of this program beyond June 30, 1975 combined with the "open-ended" provision enabling any eligible institution to participate and the requirement for the United States Department of Agriculture to issue regulations by January 1 of each year transforms this program from a makeshift inadequate administrative nightmare for all levels of Government to a program that will assure that nutritious meals be served to poor children during the summer months.

To provide a sound financial basis of support that includes a per meal escalator clause tied to the Consumer Price Index as proposed in Senate Bill 850 will enable our State alone, in cooperation with local sponsors, to reach an additional 80,000 children

In addition to my support for the provisions of the Summer Program as proposed, I offer these suggestions:

1. I suggest that this Committee consider an increase in the "regular" rate of reimbursement. My interpretation of Senate Bill 850 is that only the maximum rates of reimbursement have been increased.
2. I suggest that *all* sponsors be considered for participation in the program. Sponsors serving populations of less than 50% poor could be reimbursed only for meals served to the poor. This provision would require of these sponsors an application procedure as used in other Child Nutrition Programs.
3. I suggest that this Legislation *encourage* but not require sponsors to conduct a "regularly scheduled program" for children in addition to the feeding program. I feel that some of our sponsors could operate a well organized feeding program alone which would be of benefit to children and would fulfill the intent of the legislation.

"SPECIAL FOOD SERVICE PROGRAM"

The Special Food Service Program is conducted in 4,562 Nationwide day care centers and served 382,559 young children. To date New Jersey alone has 70 *unsolicited* applications requesting the program for 4,900 children that cannot be approved due to lack of funds. We estimate that this figure represents only half of the eligibile participants in our State not being served.

I endorse the support for this program offered in Senate Bill 850. In effect this legislation puts this program on a par with the National School Lunch Program. In light of the evidence that shows the importance of proper nutrition for the very young, this legislation is essential.

"STATE ADMINISTRATIVE FUNDS"

Of concern to me is the fact that Senate Bill 850 does not contain a provision for increased administrative funds to properly administer all that is provided or mandated. If our agency is to bring about the needed expansion in the Breakfast Program, administer the National School Lunch Program in more than our traditional public and non-public schools, administer the Special Food Service Program to increased numbers of sponsors and initiate a program of Non-Food (equipment) Assistance in day care centers, we need help.

In Fiscal 75 our State received $134,806 for administration of all Child Nutrition Programs. The percentage provided for administration is .38%—less than one-half of one percent. This is a financial and administrative absurdity.

Without Federal help and with declining State budgets, I fear that this sound piece of legislation will not reach the children in a manner intended but in a chaotic, confused manner susceptible to program violations and audit exceptions.

I am aware that these funds were increased last year, that all states have not used all available funds and that we expect a reappropriation late this month. However these funds arrive to late to be utilized in current fiscal year with no carry-over provisions.

Although my purpose today is to support and comment on S. 850, this testimony would not be complete if I did not mention my feelings regarding the House of Representative's proposed per meal subsidy for children who pay for their lunches.

I feel that the best use of funds available for Children Nutrition Programs would not be to subsidize paid lunches but to further increase the eligibility for reduced-price lunches. In this manner we would be helping those most in need of assistance.

The latest statistics released by the United States Department of Labor's Bureau of Labor Statistics indicates that the average cost of an *intermediate* budget for a family of four in an urban area is $14,333.

To permit an urban State, such as ours, to utilize a reduced-price scale in excess of 200% of the guidelines would be better use of funds than an across the board subsidy for all paid lunches.

Sincerely,

FRED G. BURKE,
Commissioner.

APRIL 4, 1975.

Hon. HERMAN E. TALMADGE,
Chairman, Committee on Agriculture and Forestry,
U.S. Senate Office Building, Washington, D.C.

DEAR SENATOR TALMADGE: This is to inform you that the New Jersey State Department of Health endorses S. 850 to amend the National School Lunch and Child Nutrition Acts in order to extend and revise the Supplemental Food Program for Women, Infants and Children (WIC). With the high rate of unemployment in New Jersey and high cost of food, the discontinuance of the WIC program on June 30, 1975 would create added hardship and leave a void in many WIC participants' diets.

At the present time New Jersey has been funded for ten projects in the following localities: Newark, Camden, Trenton, Plainfield, Hoboken, Sussex County, Passaic City, Monmouth County, Jersey City and Cumberland County. There is a need for projects in other areas, such as Atlantic City, East Orange, Paterson and Elizabeth where there are high infant mortality rates and low birth weight babies. A very modest estimate would be 70,000 eligible participants for New Jersey.

I feel this program has the potential of being an important step in preventing malnutrition and promoting quality health care. Our projects report that patients are more conscientious about their prenatal visits and postpartum checkups since the WIC program was initiated. When mothers bring their infants to clinics to enroll them in WIC, the professional staff has an opportunity to follow them more regularly and to provide needed ongoing health care including meeting immunization schedules for the prevention of communicable disease. If the youngsters of our country are to grow into strong citizens of tomorrow, capable of meeting the tremendous demands that will be placed upon them, they need to be healthy. Any investment to protect and preserve their health and well-being is prudent and in the long run economical in that, prevention of disease and disability costs less than a life-long period of treatment resulting from inadequate care during infancy and early childhood.

Not having adequate funds under existing legislation to administer WIC projects on state and local levels has been a real drawback. The increase in administrative allowance in S. 850 from 10% to 25% of projected program funds and adding a nutrition and outreach component to the program would be a great boost for program expansion.

Because of the current restriction in the present legislation of administrative funding, many of our projects have been slow in getting started. With more adequate funding at the level proposed in S. 850 including the "Section 32" funds of U.S.D.A. our projects could continue and benefit the many participants who are depending on this supplementation to their diets.

I sincerely hope your committee will act favorably on S. 850.

Sincerely yours,

JOANNE E. FINLEY, M.D., M.P.H.,
State Commissioner of Health.

U.S. SENATE,
COMMITTEE ON GOVERNMENT OPERATIONS,
Washington, D.C., April 28, 1975.

Hon. JAMES B. ALLEN,
Chairman, Senate Subcommittee on Agriculture and General Information, Dirksen Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: Enclosed is correspondence from my constituents regarding S. 850.

I would appreciate having it incorporated in the printed hearings of your Subcommittee holding hearings on this and related matters.

Thank you for your consideration.

Very truly yours,

LEE METCALF.

Enclosures.

CONFEDERATED SALISH AND KOOTENAI TRIBES
OF THE FLATHEAD RESERVATION,
Dixon, Mont., April 11, 1975.

Hon. LEE METCALF,
U.S. Senate,
Washington, D.C.

DEAR SIR: The Confederated Salish and Kootenai Tribe requests that you support refunding of the WIC Program for fiscal year 1976.

On February 3, 1975, the Administration's budget proposed legislation which would replace existing and overlapping laws dealing with Child Nutrition, special milk and the special supplemental food programs (WIC) with a block grant of funds for child feeding to the States. According to a USDA briefing paper, the block grant funding level would be about $600 million below the amount projected to sustain the present programs through FY 1976. Women currently participating in the WIC Program would no longer be eligible to receive supplemental foods, and the eligibility of infants would be at the discretion of the States. Under the current block grant proposal, only children from one to three years would be eligible for WIC.

Legislation introduced by Senator George McGovern, Senate Bill Number S. 850, proposes extension of school breakfast, day care feeding, summer feeding and WIC Programs, all of which are scheduled to expire June 30. The longest section of SB 850 deals with the WIC Program. It would allow 25 percent of the funds provided to the states to be used for administrative costs, instead of the present 10 percent. WIC clinics would be required to use part of the administrative funds for outreach and nutrition education as well as for general administrative costs. The bill would also allow new mothers to remain in the program until six months after childbirth, instead of six weeks as at present. Children would remain eligible until age five rather than age four.

WIC operates in ten Montana counties and on the seven Indian Reservations. It is the first supplemental food program directly linked to providing preventive health care. As such it has provided maternal child health care and has become a vehicle for providing nutrition education. WIC is the only program that has provided nutritious foods at the time of the most important growth and development during intrauterine growth and infancy. A break in the continuity of the WIC Program would cause a considerable waste in funds, time, and energy as well as causing a loss in clinic participation and interest in nutrition.

The WIC Program has only been recently instituted on this reservation and therefore the impact of the program has not been fully evaluated. We hope you could support SB 850 so that the program could continue. We believe it is very worthwhile.

Sincerely yours,

HAROLD W. MITCHELL, Jr.,
Chairman, Tribal Council.

Lame Deer, Mont., *April 7, 1975.*

The Honorable Lee Metcalf,
U.S. Senate,
Senate Office Building, Washington, D.C.

Dear Sir: I am writing in regard to the W.I.C. Program on the Northern Cheyenne Reservation;

I cannot put into words how much my children and I appreciate and have benefitted from this Program, both financially and physically. I have two children and am expecting another shortly. With the wages I receive and with all other expenses I cannot afford to buy the Dairy and nutritional Products we get from the W.I.C. Program.

This may be just a rumor but, I have heard this Program may be terminated in June, 1975.

If this highly beneficial Program is terminated on the Northern Cheyenne Reservation it will be hurting many young children and expectant mothers and babies.

If you have any say about this Program I sincerely hope you will reconsider your decision about terminating the W.I.C. Program.

Hopefully,

Patricia Hiwalker.

Great Falls, Mont., *March 24, 1975.*

The Honorable Lee Metcalf,
U.S. Senate,
Senate Office Building, Washington, D.C.

Dear Sir: I am writing to urge your support of one of the WIC bills numbered S850 or HR3736.

I personally favor the McGovern bill but wish only that you be aware of the great need in our state for supplemental food programs. There are those individuals and groups in Montana who are not able to afford the foods that contain the nutrients which nutritional research has found to be essential for health, growth and reproduction.

Through education and supplementation now in such programs as WIC we may alleviate some of the great medical problems which occur as the result of poor nutrition in times of nutritional stress such as in pregnancy, infancy and early childhood.

A vote for WIC is a vote for preventative health services!

Sincerely yours,

Katherine L. Murphy, R.D.

Great Falls, Mont., *March 24, 1975.*

The Honorable Lee Metcalf,
U.S. Senate,
Senate Office Building, Washington, D.C.

Dear Sir: I am writing to urge your support of one of the WIC bills numbered S850 or HR3736.

I personally favor the McGovern bill but wish only that you be aware of the great need in our state for supplemental food programs. There are those individuals and groups in Montana who are not able to afford the foods that contain the nutrients which nutritional research has found to be essential for health, growth and reproduction.

Through education and supplementation now in such programs as WIC we may alleviate some of the great medical problems which occur as the result of poor nutrition in times of nutritional stress such as in pregnancy, infancy and early childhood.

A vote for WIC is a vote for preventative health services!

Sincerely yours,

Mrs. Lillian Rigg, R.D.

Great Falls, Mont., *March 24, 1975.*

The Honorable Lee Metcalf,
U.S. Senate,
Senate Office Building, Washington, D.C.

Dear Sir: I am writing to urge your support of one of the WIC bills numbered S850 or HR3736.

I personally favor the McGovern bill but wish only that you be aware of the great need in our state for supplemental food programs. There are those individuals and groups in Montana who are not able to afford the foods that contain the nutrients which nutritional research has found to be essential for health, growth and reproduction.

Through education and supplementation now in such programs as WIC we may alleviate some of the great medical problems which occur as the result of poor nutrition in times of nutritional stress such as in pregnancy, infancy and early childhood.

A vote for WIC is a vote for preventative health services!

Sincerely yours,

DOROTHY M. BROWN, R.D.

BLACKFEET FAMILY PLANNING PROGRAM,
Browning, Mont., April 9, 1975.

The Honorable LEE METCALF,
U.S. Senate,
Senate Office Building, Washington, D.C.

DEAR SIR: As a parent (or guardian) I am concerned about the physical and mental development and good health of my children. I would like my children to have the best possible essential nutrition to achieve the above.

While school lunch and breakfast programs provided nutritious meals for school children, no food assistance program was available for the period of life when the most important growth and development takes place, gestation, infancy and preschool age. The WIC Program is designed for these age groups to provide necessary nutritious foods for the time they need it most.

As the Blackfeet Reservation is high unemployment area we sometimes have to depend on seasoned work with assistance from the B.I.A. or State Department for living expenses. We sometimes find it very impossible to obtain monies to purchase food for a adequate diet. The WIC Program is helping to obtain the foods to supplemental their diet.

I support the WIC Program and hope that Congress will see fit to continue it.

Mrs. H. Devereaux
Mrs. Olivia Upham
Mrs. Jessie Glaz
Mrs. Jackie Headley
Mrs. Sally Big Beaver
Mrs. Betty Glabreath
Mrs. Roseann Sarceeman
Mrs. Ceolle Grant
Mrs. Loretta Kicking Woman
Mrs. Jane Black Weasel
Mrs. Dora R. Morgan
Mrs. Geraldine Gordon
Mrs. Valerie Goss
Mrs. Bernadette Trombley
Mrs. Jadawega Horn
Mrs. Theresa Du Gray
Mrs. Darlene R. Fatsey
Mrs. Leona Racine
Mrs. D. Kipp
Mrs. Wilma F. Mad Plume
Mrs. Margaret Gobert
Mr. Theal Old Chief
Mr. George H. Trombley
Mr. Peter Smith
Mr. Kenneth D. Morsette
Mr. D. Brenner
Mr. Merlin Wippert
Mr. Kenneth Hendrick
Mrs. Theresa Still Smoking
Mrs. Shannon Salois
Mrs. Linda Trombley
Mrs. Wilma Hoyt
Mrs. Donna White
Mrs. Yvonne Harrison
Mrs. Vera Wolf Tail
Mrs. Karleen Walter
Mrs. Betty J. Augare
Mrs. Marie Stripped Squirrel
Mrs. Donna Lukin
Mrs. Ada Sharp
Mrs. Verna M. De Roche
Mrs. Martina Tailfeathers
Mrs. Laura Blevins
Mrs. Marcia Haneline
Mrs. Mona Still Smoking
Mrs. Carol Bird
Mrs. Ramona Kipling
Mrs. Betsy Jordan
Mrs. Darlene Wippert
Mrs. Leonda Lahr
Mrs. Mary Bird Aimsback
Mrs. Geri Frizpatrik
Mrs. Maxine Bad Marriage
Mrs. Mary Crawford
Mrs. Lottie J. Belcourt
Mrs. Vera Spotted Eagle
Mrs. Mary Ellen La Fromboise
Mrs. Rosella Little Light
Mrs. Wanda Blackweasel
Mrs. Alvina Kenneely
Mrs. Carol Yellow Owl
Mrs. Geraldine Oscar
Mrs. Marisha Red Head
Mrs. Mary Edwards
Mrs. Rose La Farr
Mrs. Connie Arrowtop
Mrs. Mildred Trombley
Mrs. Melba Wells
Mrs. Nadine Akkerman
Mrs. Carol Bear Medicine

Mrs. Rayola Hodge
Mrs. Rita Weasel Head
Mrs. Beverly J. Sinclair
Mrs. Bernadette Talks About
Mrs. Carol Aimsback
Mrs. Patty Spotted Eagle
Mrs. Irene DesRosier
Mrs. Betty Hall
Mrs. Violet M. Bull Calf
Mrs. Barbara L. Shaffer
Mrs. Carol Salois
Mrs. Audrey Weatherwax
Mrs. Pauline Vaile
Mrs. Colleen Matt
Mrs. Rita Anne Spotted Eagle
Mrs. Delores Running Wolf
Mrs. Martha L. Marceau
Mrs. Margie Jordan
Mrs. Freda Guardipee
Mrs. Faye A. Grant
Mrs. B. Parisian
Mrs. Bernice White Quills
Mrs. Martina Devereaux
Mrs. Janice M. Magee
Mrs. Leona Skunk Cap
Mrs. Trudy Cassidy
Mrs. Alice Mae Brown
Mrs. Janice Flammond
Mrs. Fred C. Cobell
Mrs. Randa Running Crane
Mrs. Harold F. Reed, Sr.
Mrs. Bonnie Kicking Woman
Mrs. Patrice Momberg
Mrs. Louise Radasa
Mrs. Sandra Skunk Cap
Mrs. Linda Gonsalez
Mrs. Gaylene Gallineaux
Mrs. Carol Still Smoking
Mrs. Freda Guardipee
Mrs. Cheryl Morgan
Mrs. Anita Kay Adamson
Mrs. Rita H. Spotted Eagle
Mrs. Beta Belcourt
Mrs. June Ollinger
Mrs. Karrine Little Dog
Mrs. Linda Racine
Mrs. Anna D. Husil
Mrs. Lolita Belcourt
Mrs. Eileen Devereaux
Mrs. Lorraine Marie Stasso
Mrs. Lenore Gallineaux
Mrs. Elma Lawrence
Mrs. Thomas F. Heavy Runner, Jr.
Mrs. Bonnie Gallineaux
Mrs. Marie Carlson
Mrs. Gayle W. Kramer
Mrs. Selma Yellow Kidney
Mrs. Mary Ellen Little Dog
Mrs. Rose Prairie Chicken Shoe
Mrs. Mary Ellen Gilham
Mrs. Violet Cobell
Mrs. Elaine Calf Boss Ribs
Mrs. Mary Jane Grant
Mrs. Glenda Eaglefeathers
Mrs. Lenore Matt
Mrs. Irene Little Dog
Mrs. Billie Jo Show
Mrs. Betty Shorting
Mrs. Leora Arrow Top
Mrs. Loretta Marceau
Mrs. Phyllis Kipp
Mrs. Beverly Baker
Mrs. Margaret Schildt
Mrs. Joann C. Nevins
Mrs. Jo Clair Trombley
Mrs. Cheryl L. Bear Medicine
Mrs. Barbara Smith
Mrs. Betty L. Fenner
Mrs. Rose Mary Sarceeman
Mrs. D. Morgan
Mrs. Ethel Old Person
Mrs. Ernestine Marceau
Mrs. Ethel M. Walters
Mrs. Karen Belcourt
Mrs. Mary L. Cassidy Hampton
Mrs. Annette Armstrong
Mrs. Bonnie Racine
Mrs. Charlene Bremner
Mrs. Margie La Buff
Mrs. Carol Murray
Mrs. Carole Yellow Owl
Mrs. Myrna Salway
Mrs. Myrna Jo Brierly
Mrs. Laurie Hall
Mrs. Ethyl Valondra
Mrs. Susan Ann Heavy Runner
Mrs. Marcia Little Plume
Mrs. Gertrude Still Smoking
Mrs. Betty La Gray
Mrs. Donna Schildt
Mrs. Joy Many Hides
Mrs. Sue Ann Boggs
Mrs. Ramona Heavy Runner
Mrs. Peggy Salois
Mrs. Lee Ann Young Running Crane
Mrs. Juanita Gordon
Mrs. Reta Old Chief
Mrs. Hazel Ingraham
Mrs. Delma Heavy Runner
Mrs. Glenda Bossribs
Mrs. Betty J. Stevens
Mrs. Carole S. Brown
Mrs. Marilyn Clore

[Telegram]

MONTANA INTER-TRIBAL POLICY BOARD,
Billings, Mont., April 21, 1975.

Senator LEE METCALF,
Senate Building, Washington, D.C.

DEAR SIR: Urgently request WIC Supplemental food program be continued. WIC has contributed significantly in improving the nutritional level of Indian mothers and children and preventitive health care. We fully support S850 introduced by Senator McGovern termination of program will result in severe setback in the Indian people. A revolution of the Montana Intertribal Policy Board as follows:

JOE DAY,
Chairman.

MONTANA INTER-TRIBAL POLICY BOARD,
Billings, Mont., April 21, 1975.

Hon. LEE METCALF,
Old Senate Building, Washington, D.C.

DEAR SENATOR METCALF: Enclosed herewith is Resolution Number 75–15 passed by the Montana Inter-Tribal Policy Board on April 17, 1975. This Resolution expresses the Board's support for a special supplemental food program for Women, Infants, and Children on Indian Reservations in Montana.

We would appreciate your assistance and support in the passage of the WIC Program legislation in the U.S. Congress.

Sincerely yours,

JOE DAY,
Chairman.

MONTANA INTER-TRIBAL POLICY BOARD,
Billings, Mont.

RESOLUTION NO. 75–15

Whereas the Montana Inter-Tribal Policy Board has been organized to represent, develop, protect, and advance the views, interests, and resources of the Indian people in the State of Montana; and

Whereas the Special Supplemental Food Program for Women, Infants and Children (WIC Program) on the Indian Reservations in Montana is providing essential supplemental nutrition to pregnant and nursing mothers and to younger children;

Whereas the WIC Program through integration with health care services on the reservations has encouraged women to seek maternity care and to bring their children in for well-child care;

Whereas the WIC Program has proved to be an important means of teaching about foods and health;

And whereas the termination or curtailment of this program would represent a severe setback for the Indian people;

Therefore, be it resolved; That the M.I.T.P.B. request and urge the Congress of the United States to legislate the full continuation of the WIC Program.

SANDERS COUNTY W.I.C.,
Thompson Falls, Mont., March 26, 1975.

THE HONORABLE LEE METCALF,
U.S. Senate, Senate Office Building, Washington, D.C.

DEAR SIRS: This letter is in support of the W.I.C. Bill S850 which is now being considered by Congress. I am concerned about the refunding of the W.I.C. program. This program will greatly benefit the low income people of Sanders County. Our community at this time has many many people on unemployment and welfare. This has occurred because of many economic problems including the shutting down of several local lumber mills; the major job centers for the county.

I believe the W.I.C. program will be a successful as well as beneficial program for Sanders County. Already we have family members participating in W.I.C. who fall into the nutritional need category. Since our program only began on March 10, 1975, I can not give you any statistics to prove this meaningful fact. I can only express my concern that our recipients and the many eligible new participants we expect will have a chance to participate in this needed nutritional program. I feel that the W.I.C. program is superior to the Food Stamp program because it requires the use of necessary nutritional foods in ones diet.

I hope you will try to understand the situation of this county as well as other communities and decide to give full support to this important Bill.

Sincerely,

DEBORAH A. HECKMAN,
W.I.C. Aide.

FORT PECK RESERVATION HEADSTART,
Poplar, Mont., March 24, 1975.

HON. LEE METCALF,
House of the Senate, Helena, Mont.

DEAR SENATOR METCALF: We are requesting your favorable consideration to the Senate Bill (S-850) sponsored by Senator George McGovern designed to keep alive current child nutrition programs.

Fort Peck Reservation Head Start serves 180 poverty level children. We are being funded at the same level this year as in previous years. We have cut our food budget in anticipation of the USDA food reimbursements, freeing some monies to upgrade the program in other vital areas.

We have contacted you because of the support you have given us in the past.

Sincerely,

JACKIE CRAFT,
HeadStart Director.

POPLAR, MONT., *March 21, 1975.*

THE HONORABLE LEE METCALF,
U.S. Senate, Washington, D.C.

DEAR SIR: This letter is in support of the McGovern Bill which supports the WIC Program $300 million annually and making it a permanent program.

An increase in federal funding is needed for the school lunch program. Our Poplar Public School lunch program is not adequate. Our chidren return home from school at 3:30 p.m., and starved! They do not get enough to eat. I strongly believe that a child should be fed a "Hot Meal" at noontime, insead of a hotdog and a few potato chips and a half glass of milk.

Once gain, I support the McGovern Bill.

Thank you,

(MRS.) YVONNE D. RYAN.

DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES,
STATE OF MONTANA,
Helena, Mont., March 24, 1975.

THE HONORABLE LEE METCALF,
U.S. Senate,
Senate Office Building, Washington, D.C.

DEAR LEE METCALF: The Maternal and Child Health Bureau, myself and other WIC staff and WIC program recipients have become increasingly distressed over the gloomy outlook for Federal refunding of the USDA's WIC program—The Special Supplemental Food program for Pregnant and Nursing Women, Infants and Children.

We are concerned about the effect the loss of this program, which provides nutrition and health care, will have on Montanans. The WIC program is the first food supplementation program that has been tied directly to health care. Not only are the highly nutritious "prescription" foods and health care through WIC, but of direct and immediate benefit to low income, undernourished families, but the long-range results of this preventive health program can save Montana taxpayers may dollars.

Scientific studies have shown that lack of protein and vitamins in pregnant women leads to low-birth-weight and premature births. These infants are more likely to suffer mental retardation, birth defects and slow learning problems.

The average cost of care of an institutionalized person is now considered to be more than $100,000 over the person's life-time. Untold thousands are spent to support handicapped people and people who as a result of malnourishment in their infancy, have severely limited learning abilities. These people cannot contribute to our state's economy.

The WIC program has been an incentive for those eligible to receive maternity and well-child care and it has been a vehicle for nutrition education. After initiating the WIC program on the Northern Cheyenne Reservation, attendance at the well-child clinics increased 164% over a 6 month period. Children needing preventive health care and nutriton counseling were finally being seen.

During the past year, the Montana State Department of Health and Environmental Sciences has spent considerable time and effort in establishing a delivery system that would make the WIC program available in the most populated counties and on our seven Indian Reservations. Now that the program has been established, we are told that it may be abolished. The Administration's proposal to grant blocks of money for food to the states, to be used at their discretion, could eliminate the delivery of necessary foods to pregnant women and infants—the segment of our population where this assistance can produce the most long-range benefits.

The proposal that block grants be provided to the states needs careful study before adoption. There is no time for that deliberation between now and June 30, 1975, when the WIC program expires. A break in continuity of the WIC program could cause a considerable waste in funds, time and energy, as well as causing a loss in momentum in nutrition and maternal and child health programs in Montana.

A recession is not the time to cut back on programs which help people, particularly medically high risk groups such as women, infants and children.

The WIC program is a real boost to economy. Almost 90% of the total six-month grant of one million dollars is earmarked to purchase highly nutritious foods. That money is spent in Montana Communities.

Please help us save this program which is so vital to Montana's present economy and the future health of her citizens.

Thank you.

Sincerely,

STEVEN KAIRYS, M.D.,
Chief, Bureau of Maternal and Child Health.

Enclosure.

Special Food Program

For Montana's

WOMEN

INFANTS

CHILDREN

What is WIC?

The Maternal and Child Health Bureau of the Montana Department of Health and Environmental Sciences administers the statewide *WIC* Program involving ten counties and seven Indian Reservations. Indian Health Service implements the *WIC* Program on the Indian Reservations.

As a health program prescribing selected foods, *WIC* serves pregnant and nursing women, infants and children under four who are at nutritional risk and who are from low income families. The *WIC* family will be involved in the ongoing health services provided through the local health department or agency. *WIC's* aim is to supplement the diets of families known to have deficiencies in certain nutrients. Lack of proper nutrients during pregnancy and early childhood can depress appetite, encourage disease, and retard mental and physical growth and development. By intervening with supplemental foods and nutrition education, health problems prevalent in this population can be prevented.

Foods Provided by WIC

FOOD	AMOUNT A MONTH
FOR INFANTS:	
1. Iron fortified infant formula	31-13 ounce cans
2. Iron fortified infant cereal	3-8 oz. boxes
3. Fruit juices—orange or grapefruit or any infant juice fortified with vitamin C. Fruit drinks not acceptable.	2-46 oz. or 15-4 oz. cans
4. Milk—whole or evaporated. Substitutes may not replace more than 50% of iron fortified formula after 6 months of age.	31 quarts
FOR CHILDREN AND WOMEN:	
1. Milk—whole or evaporated, skim, low fat or nonfat dry; fortified with 400 IU vitamin D and 1500 IU of vitamin A per quart	31 quarts or cans
2. Fresh eggs—dried eggs may be substituted	2½ doz.
3. Iron fortified hot or cold cereals	4-8 oz. boxes
4. Cheese can be substituted for part of the milk allowance	1 lb. cheese in place of 3 qts. of milk
5. Fruit juice—orange or grapefruit juice fortified with vitamin C	6-46 oz. cans

WOMEN	-Pregnant through six weeks after delivery and while nursing
INFANTS	-Birth to one year
CHILDREN	-One to four years

Your family may be eligible.

IF YOU

. . . LIVE IN AN APPROVED COUNTY PROGRAM AREA OR INDIAN RESERVATION

. . . ARE RECEIVING MEDICAL CARE—PUBLIC OR MEDICAID, (PERSONS RECEIVING FOOD STAMPS, COMMODITIES OR AFDC ARE ELIGIBLE THROUGH LOCAL HEALTH AGENCY)

. . . AND ARE DETERMINED BY LOCAL WIC PERSONNEL TO BE IN NUTRITIONAL NEED.

POINTS TO REMEMBER ABOUT WIC

1. When you enroll in the WIC Program you will get a draft. A WIC draft is like a check. Drafts can be prepared which will allow purchase of foods on a weekly basis.

2. The month's supply of WIC drafts must be used within forty days after they are issued.

3. In order to remain enrolled in the WIC Program, it is necessary to keep your monthly WIC appointment.

4. You are entitled to ongoing health supervision through the local WIC health agency.

5. Eligibility for Food Stamps or Commodities is NOT changed by enrollment in the WIC Program.

6. You will be given a list of foods offered in the WIC Program.

7. The WIC Program is federally administered by the United States Department of Agriculture's Food Nutrition Service making cash grants derived from import taxes available to state health departments.

WIC

WIC Sight Drafts for FOOD

(A draft is like a check)

—WILL BE ISSUED TO YOU BY THE WIC PROJECT

—YOU WILL USE THE DRAFTS TO PURCHASE FOODS

-AT-

YOUR RETAIL GROCERY STORES

These foods are intended to supplement your diet

FOR MORE INFORMATION—CONTACT YOUR

WIC PROJECT

United States Senate,
Committee on Labor and Public Welfare,
Washington, D.C., April 23, 1975.

Hon. Herman E. Talmadge,
Chairman, Senate Committee on Agriculture and Forestry,
Senate Office Building, Washington, D.C.

Dear Herman: As a cosponsor of S. 850, I have recently received information attesting to the success of the W.I.C. program in the Penobscot-Piscataquis area of Maine.

I am enclosing two letters from Mr. William Shook, Director of Public Health in Bangor, Maine; a letter from Bertha F. Mosher, R.N., Public Health Nurse in Old Town, Maine, and several case histories.

I believe that this material demonstrates that the W.I.C. program in Maine has been a powerful factor in improving the diets of previously ill-nourished women and children. And, as Mr. Shook notes in his letter of April 2, "we have never experienced a Federal program such as W.I.C., where so much good has been done for so many people in such a short time, with so little administrative overhead."

I hope that this information may be made a part of the record and may prove of use to the Committee in its deliberations on S. 850.

Best personal regards.

Sincerely,

William D. Hathaway,
U.S. Senator.

Enclosures.

Department of Health,
City of Bangor, Maine, April 16, 1975.

Attention: Mr. Charles Peck.

The Honorable William D. Hathaway,
Russell Senate Office Building, Washington, D.C.

Dear Mr. Peck: As I indicated in my letter of April 2nd, I am enclosing for Senator Hathaway, further documentation of family members who have exhibited measurable benefits from participation in the Penobscot-Piscataquis County WIC Program.

There are five of these summaries enclosed, plus a letter from Mrs. Bertha Mosher, R.N., City of Old Town Public Health Nurse which is self-explanatory.

I hope that Senator Hathaway will be successful in saving this valuable nutrition program and that he may use the enclosed information and that forwarded previously to the advantage of all WIC participants.

Thank you for your understanding and support.

Sincerely,

William M. Shook, Jr.,
Director of Public Health.

Health Department and Community Health Service,
Old Town, Maine April 11, 1975.

Re WIC program.

Hon. Lee Metcalfe,
U.S. Senate, Washington, D.C.

Dear Sir: Several changes have been noted of women, infants and children participating in the WIC Program.

One mother observed through two pregnancies showed decided difference with regard to improved maternal health. The baby was of good birth weight, alert and active.

Young children were noted as not having as many colds. Newborns were of good weight, height, length and were alert and active.

Many mothers have offered the information that this program was an important factor in planning the family food budget. Increase in food prices occurred while this program has been in effect. Mothers have mentioned that a hardship will be created if the program should become non-existent.

Young mothers with one baby have no other means to buy these foods necessary for growth, development and to maintain life. Pregnant women, lactating mothers through the WIC Program have more vitality, better physical, appearance, seem to have less dental problems than mothers who have an inadequate, skimpy diet.

One mother wanted to breast feed her baby but had to use formula in addition. After participation in the WIC Program was implemented, the milk supply was established and the supplemental feedings eliminated.

The first child of one mother was ill frequently. There was a decided change in the second child born after participation in the WIC Program.

It has been an interesting program in which to be involved from the beginning. Funds for this type of program are needed to give babies a good start during the all important formative period of development. With proper nutrition a child can be expected to grow physically, be mentally alert. A healthy child is a happy child.

Sincerely,

Bertha E. Mosher, R.N,
Public Health Nurse.

G.S., who is deaf is the mother three children ranging in age from 2 to 12. The two younger children were put on the WIC Program June 7, 1974 when one was 18 months and the other three years. The three year old appeared ill with a rash by his right eye and apparent adema of the face. He was quiet and a bit lethargic but did respond to attention from the nurse. The diet lacked milk, leafy green vegetables, and whole grains. She was obviously trying to feed her children well, but according to the Public Health Nurse they were sickly much of the time. The Public Health Nurse has reported that the children's health has improved considereably since they have been on the WIC Program.

E. T. is a para 4, gravida 1, mild diabetic. She miscarried twice before having a viable 8 lb. 6 oz. baby girl. During that pregnancy, she was hospitalized and put on bed rest for toxemia. She came on the WIC Program, October 4 when she was three months pregnant. She is short, obese, and her diet lacked vegetables, greens, eggs, and milk. She said she occasionally went on binges eating a whole pie or half a cake. She has been instructed and followed carefully throughout this pregnancy. Information concerning protein intake, carbohydrates, vegetables, grains, etc. is reinforced at each visit. Though her blood pressure was elevated in the second trimester, she was not put on diuretics or a low salt diet, but dietary information was reinforced. At term she is not showing signs of adema, her blood pressure has lowered and her over-all appearance has vastly improved. Her year old baby is also on WIC. She was changed from Bremil to a high iron infant formula. Her health has been excellent.

B. U. is the mother of two children, born 3/6/74 and 4/22/72. They were referred into the program by the Public Health Nurse, receiving their first vouchers 5/29/74. The family income is well below the poverty level. The children had exzema, the older boy being anemic and eating poorly. The baby was on whole milk and all types of baby foods at 2 months of age. The mother has been counseled on infant and toddler feeding. Suggestions have been made for increasing dietary intake of iron. The PHN has reinforced this teaching on a regular basis. The children's health has been steadily improving; they have fewer colds; and their hemoglobins have improved.

A family of 6 living on $87.00/week. The youngest boys, ages 2 and 3, were put on the WIC Program in May 1975. At that time, they had tooth decay, recurring episodes of pneumonia, and various other problems. They had been followed by the Public Health Nurse for some time. Their diet showed a lack of milk, fruit, and vegetables with a reliance on kool-aid, candy, and potato chips, etc. with meals and for snacks. The PHN followed the family, delivering vouchers and counseling on diet. Records show that the children's health has improved since May 1975. There have been no more episodes of pneumonia and recent physical examinations showed them to be healthy with no signs of anemia.

V. W. is the mother of twins born 1/25/73 and an infant born 10/4/74. She and the twins joined the WIC Program 8/1/74. Her diet was extremely limited due to lack of funds though what she bought was good with no empty calorie foods. Her diet lacked milk, vitamin C source, sufficient protein, vegetables, fruits, and grains. The twins who had weighed 3 lbs. 14 oz. and 4 lbs. at birth were receiving milk but lacked fruits and vegetables. Her baby has been breast fed but did not gain adequately. She is supplementing with Prosobee and the baby has started gaining. Since being on the WIC Program, the twins have improved in appearance, size and health. While on WIC foods, she has improved in appearance and health and the baby has finally begun improving in physical development. She states WIC has made the difference for her.

The state Public Health Nurse Supervisor for the two county area stated that the voucher system employed WIC Program is an educational experience for the participants since they have to read labels in order to use them correctly, thus learning the difference between juice and juice drinks etc.

M. B. joined the WIC Program during her fourth month of pregnancy. Her diet was lacking adequate milk, vegetables and grains. She delivered an 8 lb. 4 oz. baby boy 11/24/74. She put the baby on whole milk, refusing to use high iron infant formula, thus making the baby ineligible for the program. By March the baby, fussy from birth, was having respiratory distress and diarrhea which led to hospitalization. By then M. B. was willing to try infant formula feeding which was initiated successfully. The baby has been improving since high iron infant formula feeding was initiated.

B. D. joined the WIC Program 6/18/74. She was breast feeding her baby who was under three weeks of age. The baby's birth weight was 7 lb. 8 oz. The mother's diet was limited. She was drinking no milk, eating no lunch, a reasonable supper and occasional poor quality snacks. She had not yet established breast feeding successfully, probably due to inadequate diet and fluids. With counseling and WIC foods, she has been successful in breast feeding. The baby appears healthy and well nourished and extremely alert. The mother's appearance and energy seem improved.

S. J., whose husband was a graduate student, joined the WIC Program 5/17/74. She was breast feeding the youngest of her three children, born 10/17/73. The mother was very thin and had been suffering from cold sores and red and swollen gums. The older child, born 4/14/72, had constipation and skin problems. S. J. was using what money was available to provide as nutritious a diet as possible. The diets lacked vegetables, whole milk, and her diet was almost completely devoid of milk. WIC foods enabled her to provide a more nutritious diet for herself and her family. Her health status had improved by the time her husband finished his studies. According to her, the WIC Program was their salvation at a crucial time in their childrens' growth.

G. K., born 6/4/72, was put on the WIC Program 6/24/74. Her diet consisted of sugared cereal, canned soups, canned spaghetti, no fruit or fruit juice, minimal protein and inadequate vegetables. Her mother had no money for milk, so was giving the child koolaid to drink. Nine months later the child's diet is much improved; she receives orange juice every day and milk with each meal; protein intake is improved and the nutritionally worthless foods have been removed from the diet. The mother states, "She has seemed to be growing more. She seems better natured from getting more nourishment." Her mother is able to buy more meats and vegetables with money saved by having WIC foods provided.

F. K. was an LPN, age 27. She had had four previous pregnancies: one miscarriage, one low birthweight baby, one who died prior to six months of age and one eight year old son with a birth defect. She had previously had toxemia of pregnancy. She was enrolled as a student in a diploma nursing program, scheduled to graduate and take the state board examinations about the time the baby was due. With the WIC foods and nutrition counseling the course of her pregnancy went well. She stayed healthy, attended all classes and passed her state board examinations just prior to delivery of a healthy 7 lb. 8 oz. baby girl.

O. C., age 33 and pregnant for the fourth time was put on the WIC Program 7/5/74. Her diet was woefully inadequate: in a one day period her total intake was 4 glasses of water, 1 pepsi, 1 glass koolaid, 1 hamburger, 1 piece of pizza. The next day she had 3 glasses of water, 1 tuna sandwich, 1 serving of spaghetti and cookies. She was anemic, obese, and suffering from constipation and skin problems. She was eating poorly herself in an effort to reserve the nutritious foods available to the family for the other children. She was also attempting to regulate her weight by not eating at all; eventually she would become so hungry that she would eat whatever was handy, usually a high calorie food of no nutritional value. She was counseled about the nutritional vulnerability of her unborn child and taught that dieting for weight control during pregnancy was extremely dangerous. She was also taught that weight control would be an ever diminishing problem provided she ate the proper amounts of nutritious foods and avoided "empty calories". She delivered a healthy 8 lb. 5 oz. baby girl on 10/24/74. Since delivery much of her excess weight has been lost and she appears healthy and energetic.

DEPARTMENT OF HEALTH,
City of Bangor, Maine, April 2, 1975.

Attention: Mr. Charles Peck:
The Honorable Senator WILLIAM D. HATHAWAY,
Russell, Senate Office Building, Washington, D.C.

DEAR MR. PECK: Thank you very much for your recent phone call and your indication that Senator Hathaway may take special attention to the current plight of Senate Bill S 850; namey, that the U.S.D.A. Section 32 funding provision in this bill was "apparently" inadvertently deleted by members of the Education and Labor Committee, thus potentially lending "instant political unpopularity" to it.

Please convey our sincere thanks to the Senator for his strong support of WIC.

Below are some details on the program. We are preparing more to follow shortly.

The Bangor Health Department has been involved in many Federally-supported programs over the years. Cooperating health and social service agencies in the area have too. I think it is safe to say, however, that we have never experienced a Federal program such as WIC, where so much good has been done for so many people in such a short time, with so little administrative overheaded.

On April 1st, we were notified by the U.S.D.A. that a request for client load increase from 1,000 to 1,500 women, infants and children had been approved. The new allowances permit us to serve up to 360 women, 495 infants and 645 children.

The funding proportions of the new allocation will be the same. Of a total budget of $225,500 to serve 1,000 clients (approved last November) 87% of these funds are expended on food. Only 10% is allowed for administrative costs. Although another worker must be added now to handle the increased client load, all of the work for processing of the 1,000 clients has been done by three full-time individuals and a part-time dietary consultant. Only one of these workers presently grosses over $100 a week—the Supervisor—and she grosses less than $140. They are totally devoted and committed to the program, and in truth they have made it work. It is a singularly un-bureaucratic effort. Virtually all outreach and channeling from clients of distant parts of the project area to the clinic sites involve a good deal of added work on the part of agencies allied with WIC, such as Penquis CAP, Eastern Maine Medical Center, State Division of Public Health Nursing, Orono Nursing Service, Old Town/Milford/Bradley Nursing Service, and the City's own Division of Public Health Nursing. Their efforts have been strictly in kind services for which no reimbursements are made.

In March 1974, when we were notified of our immediate funding (with literally no forewarning) no service organization whatever existed. Through the efforts of allied agencies, the Health Department and Northeast Food Action, we hired a staff and had an organization by May with 233 recipients enrolled. By February of this year, 930 clients were enrolled logging roughly 50 to 60 client visits per day in two closet-sized offices furnished with four used desks, one loaned calculator, a second hand adding machine and a typewriter. It was not until January that the program got its own phone.

Something specific should be said about the dietary consultant for the program. She has been one of the principal and devoted figures. Mrs. Phyllis Williams. She combines the unique qualifications of nurse and dietary expert, and has written articles and a book on prenatal and early childhood nutrition. She gives a great deal of herself to the program and in coordinating the efforts with physicians and other health personnel.

The administration of the program is and will remain spartan, but processes by hand (and this must change to preserve the sanity of the staff) over $12,000 worth of food vouchers per month.

This then is one of two aspects of cost effectiveness; the daily operation of the program.

In terms of what the program is supposed to accomplish, its second measure, the outcome of pregnancy and program effectiveness on infant and toddler health has been reviewed.

Essentially and as FNS intended, pregnant women who have been on the program have had a lower incidence of low birth weight babies, compared with a non-WIC group from the same economic level.

In Penobscot County for example, the incidence of low birth weight babies for all economic groups is 8%. To women who were on the program three months or longer, 4.5% of the babies born weighed less than 5½ pounds (the criteria for low birth weight).

To women who entered the program some time during the last trimester of pregnancy, 5.4% of the babies weighed less than 5½ pounds.

A sampling of children born to a similar group before the program started, showed that 15% of the infants had a birth weight of less than 5½ pounds

In processing families for WIC, we have been able to identify both nutritional and other problems and referrals are made.

The Public Health Nurse carry out follow-up on both state and local levels. In this way, WIC is serving as a catalyst for improvement in delivery of health care services.

Without the WIC program, it is known that the majority of non-breast fed infants would have been on whole milk or non-fat milk diets with accompanying problems.

Diets for toddlers have generally been high in starch and sweets and low in vegetables, meats and fruits. Although iron deficiency anemia has not been observed to be a major problem, some older infants and toddlers have been seriously affected. WIC foods and nutrition information along with referral and follow-up have been successful in combating those problems identified.

Two examples of these cases are outlined below:

Case: 13 months old child, weighing 16 pounds. Very pale, nervous, upper respiratory infection. Refused food, mother very distraught and concerned. Placed on WIC, referred for checkup with hemoglobin, hematocrit determinations. Taught how to approach feeding and increase iron intake. One month later, child weighed 20 pounds, eating well, no longer fussy. Hemoglobin and hematocrit increased to near normal from very low level.

Case: Pregnant woman, aged 28, gravida 8, para 7. First infant weighed 8 pounds; subsequent infants all weighed less than 6 pounds. Had one set of twins, and two girls, all of whom died. All weighed less than 5½ pounds at birth. Eating very poorly, little money for food because of alcoholic husband. Placed on WIC, instructed in importance of prenatal nutrition, followed up by Public Health Nurse. Baby weighed 7 pounds, 15 ounces at birth, 21 inches long.

The existing network of outreach feeding into the two clinic sites has produced a rapid build-up of caseload. It is fortunate that we have received the approval for caseload increase to 1,500, but this will do little good if the program is eliminated or so drastically cut in finances as to be worthless. Mrs. Williams has been doing superb work in individualized nutrition education. This is particualy true considering the limited resources available to her through the current program so that we hope that more education money can be made available through the bill.

We hope that at least as a beginning this will give you some indication of how the program is running. As indicated above, more information will be coming as it is put in presentable form. Thank you again for interest and support.

Sincerely,

William M. Shook, Jr.,
Director of Public Health.

National Peanut Grower Group,
Georgia Farm Bureau,
Macon, Ga., May 1, 1975.

Hon. James B. Allen,
Chairman, Subcommittee on Agriculture Research and General Legislation, Senate Committee on Agriculture and Forestry, Russell Senate Office Building, Washington, D.C.

Dear Sir: In behalf of the National Peanut Grower Group, I wish to strongly endorse and urge approval of S. 850 and other bills relating to the National School Lunch Program and Child Nutrition Act which currently are before the Subcommittee. The Peanut Grower Group represents some 80,000 peanut farm families in nine states.

We feel this legislation is urgently needed to continue the commodity distribution program past its June 30, 1975, expiration date and to strengthen the national school lunch program, certainly one of the most enlightened and worthwhile programs ever to be enacted by the Congress.

Indeed, the commodity distribution program performs an unique two-fold purpose that has far-reaching benefits to America. While helping to provide our children and adequate diet based on wholesome, nutritious farm commodities such as milk, peanut butter and oil, beef and poultry products, etc., the distribution program also provides a means for government purchases of agriculture commodities in temporary surplus for donations. In this way, the commodity distribution program is an important tool for helping to maintain a measure of balance and stability in farm markets and farm prices. To abandon this valuable program, which has proved its worth and effectiveness over the years, would inflict a severe penalty on American farmers and American school children alike. Neither deserves such treatment.

That National Peanut Grower Group, while strongly urging continuation the commodities distribution program, also gives full support to the provision of S. 850 which would require that not less than 75 percent of the assistance provided under Section 6 of the National School Lunch Act be in the form of foods purchased by USDA. Indeed, we respectfully urge the Subcommittee and the full Committee to give careful consideration to raising the required level of purchased food even higher—perhaps to 100 percent.

The termination of the food distribution program to needy families and replacement of this assistance by food stamps drastically reduced available outlets for utilizing farm commodities in temporary surplus. It likewise reduced the capacity of the commodity distribution program to act as a stabilizer of farm markets and prices. We feel, therefore, that the school lunch program and the few other remaining distribution programs should be so structured as to operate more effectively as vehicles for channeling surplus commodities and food products into highly desirable donation uses. The school children of America would be the principal beneficiaries of such action.

Mr. Chairman, again we urge favorable action on S. 850 and related bills and ask that this statement be made a part of the hearing record.

H. EMMETT REYNOLDS,
Chairman.

BISMARCK-MANDAN (N.D.) NUTRITION COUNCIL, INC.,
Bismarck, N. Dak., March 19, 1975.

Re S 850.

The Honorable MILTON YOUNG,
United States Senate,
Washington, D.C.

DEAR SENATOR YOUNG: The Bismarck-Mandan Nutrition Council, Inc., is comprised of interested persons from various professional and community organizations. The principal purpose of this Council is to coordinate nutrition education and resources, and to promote good nutrition practices for citizens of all ages in the Bismarck-Mandan area.

The proposed drastic FY 1976 budget cut for Child Nutrition Programs has been brought to the attention of Council members. Realizing the potential effects of such a reduction to longstanding worthwhile programs and effective new programs such as the Supplemental Food Program for Women, Infants and Children (WIC), the Council has expressed their concern in the attached Resolution and request that this Resolution be submitted as testimony in committee hearings pertaining to S 850.

The Council would appreciate your support of legislation for continuation and expansion of these food assistance programs.

Sincerely,

DARLENE GHERING,
President, Board of Directors
(And six others).

Enclosure.

RESOLUTION

The FY 1976 proposed federal budget contains a block grant for child nutrition programs and reduces or eliminates such food assistance programs as:

The Supplemental Food Program for Women, Infants and Children (WIC).
Child Nutrition Programs, e. g.:
- School Breakfasts.
- School Lunch Reimbursements (Section 4).
- Free and Reduced School Lunches.
- Non-School Feeding (Child Day Care, Head Start, and Summer Feeding).

Commodity Foods.
Non-Food Assistance.
Special Milk Program.

Termination and/or reduction of these programs would create a health hazard to millions of children: be it

Resolved, That the Bismarck-Mandan (N.D.) Nutrition Council, Inc., support legislation for continuation, expansion and adequate funding of the above food assistance programs which are included in S 850

U.S. SENATE,
Washington, D.C., February 28, 1975.

Mrs. HELEN LOVELL,
Director, Nutrition Section, the Department of Health and Hospitals, The City and County of Denver, Denver, Colo.

DEAR HELEN: Thanks very much for your letter in opposition to the administration's sharp cutbacks in federal nutrition programs including the experimental "women, infants and children diet supplement program."

I fully agree with you and shall do everything in my power to prevent the proposal from taking effect. Enclosed for your information is a press release stating my position on the issue.

Meanwhile, because your letter is so well-stated, I am forwarding it to the Senate Agriculture Committee and the Senate Select Committee on Nutrition and Human Needs to be made part of the official record on the issue.

Thank you again for your helpful comments and for letting me know of your shared concern about this matter.

Best wishes.

Sincerely,

FLOYD K. HASKELL,
U.S. Senator.

Enclosure.

CITY AND COUNTY OF DENVER,
DEPARTMENT OF HEALTH AND HOSPITALS,
Denver, Colo., February 21, 1975.

Hon. FLOYD K. HASKELL,
Old Senate Office Building
Washington, D.C.

DEAR SENATOR HASKELL: The Denver Department of Health and Hospitals has participated in the USDA Commodity Supplemental Food Program since late 1969. This program was designated to provide highly nutritious foods to those groups considered most vulnerable to malnutrition, e.g., women during pregnancy and up to one year after and children under six years of age.

Last year an average of 6,659 women and children in Denver received foods monthly. However, food was issued to 7,920 patients in January, 1975. The increased case load is a reflection of the need created by current economic conditions. The estimated annual retail value of the food in 1974 was almost one million dollars and the key nutrient value was as follows: 104,417,735 mgs. protein, 29,346, 174 mgs. iron, 2,840,016 mgs. calcium, 5,153,682,900 IU vitamin A, and 276,743,896 mgs. vitamin C. These foods enabled many of these individuals and families to have optimum nutrition rather than mere existence or be malnourished.

We can certify eligible patients for supplemental foods who are in need of these foods for medical and health reasons and receive free or reduced cost health care. In 1974, 38 percent of the people actually receiving the food received food stamps. In addition, even for those who do receive food stamps, there is no increase in the food stamp allotment for the pregnant woman who has significant increase in her nutritional needs created by the demands of her unborn infant.

An infant who is malnourished in early life or who's mother is malnourished may have irreversible brain damage. The commodity supplemental food program is in the end less costly and certainly is more humane.

The government will get more for the dollar on a national procurement basis than many individuals can get from the dollar at the retail grocery store.

Through the cooperation of the Denver Welfare, we actually have a food distribution system and all other health agencies participating in the commodity supplemental food program have established a distribution system. Therefore, I urge that money be budgeted to enable USDA to continue the commodity supplemental food program at least at the existing level.

Thank you for any consideration that you can give this request.

Sincerely,

(MRS.) HELEN LOVELL,
Director, Nutrition Section.

VITERBO COLLEGE,
LaCrosse, Wis., April 8, 1975.

Re S. 850.

Senator GAYLORD NELSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR NELSON: I am writing to enlist your support of S. 850 as proposed by Senator McGovern et al. On behalf of myself and members of the Nutrition Committee of the Wisconsin Association for Perinatal Care—Western Region, I would like to encourage support of S. 850, as a decrease or discontinuance of the supplementary food programs would not be in the best interest of the people in western Wisconsin.

Our committee consists of physicians, nurses and nutritionists from western Wisconsin. Our goal is the education of consumers and professionals as to the importance of good nutrition in pregnancy for optimal physical and mental development of the infant. Research indicates a direct correlation between the nutritional status of the mother and the health of the infant. Thus, if S. 850 is defeated, many of our people will not have the money to obtain adequate food, even if they are aware of the importance of good nutrition.

The copy enclosed, taken from the S/RW, provides documentation of the seriousness of the problem.

We hope that our concern in this matter is of interest to you.

Sincerely,

ROSE E. KREUTZ, R.N., M.S.ED,
Chairman, Nutrition Committee.

Enclosure.

[From SR/W Science, Mar. 23, 1974]

STARVE THE CHILD, FAMISH THE FUTURE

In the late Sixties two pioneer investigators into the effects of malnutrition on brain development—Myron Winick and Pedro Rosso of The New York Hospital—Cornell Medical Center—came to some important conclusions, based on studies of the brains of Chilean children: A child who is poorly fed during early infancy may never attain his full brain growth, even though he is well fed thereafter. Similarly, a fetus, malnourished in the womb, may never make up for the brain cells and structures that never came properly into being. Malnutrition both before *and* after birth virtually dooms a child to stunted brain development and therefore to considerably diminished mental capacity *for the rest of his life.*

At around the same time as Winick and Rosso were carrying out these and related studies, Stephen Zamenhof of UCLA, another pioneer in this area of research, was conducting rat experiments that confirmed these conclusions. But Zamenhof and his colleagues carried the revelations a step further. When an underfed female rat was mated with a well-fed male, the resulting newborns showed distinct signs of brain malnutrition—as expected—even though they were put on an adequate diet starting at birth. The surprise came when the offspring, the second generation of females, which had been well nourished throughout their lives and during their own pregnancies, nevertheless gave birth to newborns with brain growth likewise retarded. The mothers were apparently unable to develop a placenta adequate to the proper nutrition of the fetus. Thus, in the case of these rats at least, the curse of malnutrition was carried into the third generation!

Rats, of course, are not people. Nevertheless, over the past several years many researchers in embryology, pediatrics, neurology, nutrition, and allied disciplines have been learning more and more about the disquietingly long-range effects of malnutrition on brain, behavior, and intellectual ability. Familiarity with this growing body of literature gives one a new outlook on hunger.

Consider the latest outbreak of famine, this time in several drought-stricken nations of Africa. Once more the newspapers carry numbing statistics of the dead and near-dead. Again we see pictures of rickety children with swollen bellies, of old people with hope-emptied eyes, the skin clinging to their bones. The human mind does not relate well to statistics, but it does relate—at least fleetingly—to the visible suffering of other human individuals. Those who can do so will undoubtedly respond to the appeals for aid. Food distribution will almost certainly be inadequate and ill organized. But it will begin to bring some nourishment and relief to the victims. The overall situation will gradually improve, the crisis will abate, and the famine will be declared over.

For us, it will all have been a transient, remote episode at the midst of our other preoccupations. When new headlines tell us of another famine somewhere in the world, we will notice again. But hunger is always with us, over vast regions of the planet. Our own continent, and our own country, is certainly not exempt. Though "famine," so labeled, seldom occurs, there exists chronic, widespread malnutrition. During a famine it simply occurs on an accelerated, wholesale scale.

For survivors of a famine, the ordeal is never really over. Its ravages, as studies have now made clear, may be lifelong and irrevocable. In the first few years of life, the brain grows much faster than the rest of the body. If this growth does not occur on schedule, there is no second chance. This is even truer of prenatal brain development. From fertilized egg to embryo to fetus to infant, growth takes place according to a rigidly timed genetic program, with not much give in it. When brain cells need to divide and new structures need to be formed, the materials—all the materials—and the energy to put them together must be at hand right there and then. DNA can provide the instructions, but the nutrients must come through the placenta. A poorly supplied assembly line cannot be expected to turn out a perfect product.

We have all known that physical growth may be stunted by malnutrition, but we have not understood the extent to which brain function and mental capacity can be impaired. (An excellent new book on the subject is *The Malnourished Mind* by Elie Shneour. The author argues convincingly that the nutrition factor has been too lightly considered by those currently debating the comparative IQs of blacks versus whites.) We have certainly recognized that famine and chronic hunger are tragic circumstances, but we have not recognized the true dimensions of the tragedy. When we think of entire populations undergoing a long siege of near-starvation, of children and fetuses by the hundreds of thousands deprived of their basic nutritional needs, we must now understand that these populations may have to function at a considerably diminished intellectual level compared with their genetic potential.

The children who survive will be less able to cope with their ordinary problems, let alone rise to the challenge of situations that require superior intellect or creative ingenuity. The irony is that a nation already afflicted with a plethora of problems, hoping that the new generation will come up with imaginative solutions, may find that the new generation has been sentenced in advance to add to the problems instead—a case of taking away from him that already hath not.

It is patently unfair either for individuals or for nations to be cheated of an equal chance at the future. The human brain, like Mark Antony's crocodile, "lives by that which nourisheth it." If the nourishment is missing, an adult brain can recover; but a developing brain loses forever. This new realization should spur us, through our national and international planning bodies, to renewed vigor in our attack on worldwide malnutrition—with special emphasis on the proper feeding of small children and expectant mothers. Easy answers are not readily at hand. Science and its continuing research effort can point us along the way, but the solutions must ultimately be political—and moral.

ALBERT ROSENFELD,
Science Editor.

THE EASTER SEAL SOCIETY
FOR CRIPPLED CHILDREN AND ADULTS OF PENNSYLVANIA,
Middletown, Pa., April 14, 1975.

HON. RICHARD S. SCHWEIKER,
U.S. Senate, Dirksen Office Building,
Washington, D.C.

DEAR SENATOR: The Easter Seal Society for Crippled Children and Adults of Pennsylvania requests that you intercede with the Senate Agriculture and Forestry Committee and support the passing of Senate Bill 850, particularly, sections 8, 12 and 13. And that the language of the act should specifically include residential and non-residential camps.

The Easter Seal Society's 4 camping programs—Camp Harmony Hall, R.D. #1, Middletown; Camp Daddy Allen, Hickory Run State Park, White Haven; Camp Easter Seal, R.D. #4, Laurel Hill State Park, Somerset; Camp Lend-A-Hand, R.D. #2, Conneaut Lake—have participated in the program since its inception. Over 70% of our clients are children of parents with low incomes; many are recipients of public assistance.

Through participation in this program of donated commodities, we have been able to serve more children, and give them additional nutritious items of food. Yet, we can keep our costs at a level that enables a volunteer nonprofit health agency to serve children from all areas of Pennsylvania.

We respectfully urge your support of the extension and continuation of food commodities Senate Bill 850.

Sincerely,

(S) J. E. Feeley
(MISS) JEANNE E. FEELEY,
Director of Recreation and Camping.

THE EASTER SOCIETY
FOR CRIPPLED CHILDREN AND ADULTS OF CONNECTICUT, INC.,
Hartford, Conn., March 31, 1975.

HON. CARL CURTIS,
Senate Agriculture and Forestry Committee,
U.S. Senate, Washington, D.C.

DEAR SENATOR CURTIS: This letter is addressed to you in your capacity as a member of the Senate Committee on Agriculture and Forestry.

The Easter Seal Society for Crippled Children and Adults of Connecticut, Inc., as well, I am sure, as many other non-profit agencies are in need of your immediate help! The Connecticut Easter Seal Society has for some years been running a summer camp for the handicapped. In June 1974 a new facility was built in Hebron, Connecticut which extends recreational and educational programs to the handicapped on a year-round basis. We call this new facility the Hemlocks Outdoor Education Center. In past years our summer camp has been the recipient of food commodities provided by the Department of Agriculture made available through the School Lunch Act of 1968—Public Law 90–302, and subsequently, through an amendment to this act in 1974—Public Law 93–347.

The Connecticut Easter Seal Society has been in contact with Miss Roberta Van Beek, Washington Representative for the National Easter Seal Society, and we are deeply concerned over the apparent discontinuation of federal food surplus subsidies to non-profit institutions such as the Hemlocks Outdoor Education Center for the handicapped in Connecticut. As we understand the current situation, no federal food commodities will be available for our current summer program starting in June 1975. In light of the current economic climate and spiraling food costs the impact of cutting off these donated commodities will result in the loss of thousands of dollars in increased food costs to the Hemlocks Outdoor Education Center in Connecticut, but further, will have equally devastating results on the more than fifty-five non-profit Easter Seal camps throughout the United States as well as materially affecting all other non-profit summer camp programs throughout the United States.

May we respectfully appeal for immediate action by your Committee to insure the continued availability of federally supported food subsidies to non-profit institutions.

Thank you for your consideration and attention.

Sincerely,

MALIN D. MARTIN,
Executive Director.

STATEMENT OF THE NATIONAL ASSOCIATION OF FOOD EQUIPMENT MANUFACTURERS

The National Association of Food Equipment Manufacturers is most appreciative for the opportunity to submit its views on this most important issue of amendment to and extentions of the National School Lunch and Child Nutrition Acts. NAFEM is a major national organization representing 275 member companies engaged in the production of a wide variety of food preparation, storage, transportation, and serving equipment.

We were deeply concerned by the President's recent budget proposal for fiscal year 1976 as it would adversely affect the School Lunch and Child Nutrition Programs. As we understand the Administration's proposed budget, absolutely no funds are specifically designated for these programs. As an alternative, a bloc-grant proposal has been put forward by the Ford Administration which would effect a $600 million reduction in overall child nutrition funding.

Now is the time, NAFEM believes, to revitalize and even to expand these important programs. When he recently introduced his bill (S. 850) to amend the National School Lunch and Child Nutrition Acts, Senator George McGovern said; "At a time when food costs are rising over 15 per cent per year, when unemployment is hitting recordbreaking numbers, when double digit inflation is bewildering almost everyone, when the farm economy is in trouble, and when local economies need a boost, the Federal nutrition programs are in a unique position to be used to help, not to hurt, our people."

Yet, perpetuation of the present system may not be the wisest course. First, inefficiency—and, therefore, relatively low productivity—is evident in the food preparation and service aspects of the School Lunch Program. Second, the United States is a nation which has experienced extraordinary agricultural achievements. But in order to ensure that we get the most out of those achievements, every aspect of food delivery must be efficient. Moreover, the delivery or distribution of precious nutrition calls for a total program. We need expansion and improvement of these programs so that other children and infants might receive badly needed nutritional meals.

Because it cuts costs and reduces waste of foods, efficiency, however measured, is, no doubt, the strong foundation of socially responsible and economical institutional feeding programs. Productivity in the School Lunch Program remains somewhat low. In fact, according to figures presented last year to the Senate Select Committee on Nutrition and Human Needs by Mr. D. Dean Rhodes, a director of both the National Association of Food Equipment Manufacturers and the International Foodservice Manufacturers Association, school lunch preparation and service productivity for 1974 was "in many cases" still at 1946 levels.

The upgrading of equipment and the escalation of non-food assistance now will, in the long run, benefit the current program but also facilitate its ultimate growth and improvement.

Nearly twenty years ago a "Central Kitchen System" serving satellite schools was proposed in lieu of the individual unit kitchens still maintained by each participating institution. The cost advantages were and are obvious—but so is the obstacle posed by the initial start-up cost. Yet, if schools had the requisite capital in 1956 to accomplish the installation of a "Central Kitchen System," school lunch labor would be producing 300 percent more lunches today at the same level of funding.

For lack of dollars in 1956, the School Lunch Program today is less than efficient and out-dated in its operation. We stand at the same crossroads as we did eighteen years ago; we have an opportunity through the utilization of the latest equipment and systems technology to build an institutional feeding program which will nourish more persons, more quickly, more economically.

Obviously the funds are not this year available for the major investment—productive though it would be—of changing to central kitchens for all school systems. Yet even the limited additional funding made available for equipment in S. 850 would significantly assist schools in providing nutritious lunches to their students. Such provisions would, we believe, serve to the benefit of the recipients with the more economical use of the taxpayers' dollars. We strongly urge that the provision for additional funds for food service equipment be part of the school lunch program enacted by this Congress.

The National Association of Food Equipment Manufacturers requests that this Congress build rather than sustain a system fast becoming antiquated and wasteful. Give American citizens, young and old, the most for their dollars. Right now, no amount of money will solve the problems plaguing the National School Lunch and Child Nutrition Programs unless we seek to provide participating institutions with the proper tools and best food service systems.

Statement of G. L. Walts, Executive Vice President, National Turkey Federation

The National Turkey Federation is the only national trade association organized to promote and serve the best interests of the turkey industry in the United States. Included in our membership of 3,000, are turkey growers, primary turkey breeders, hatcherymen, processors and marketers, plus supporting commercial firms providing goods and services to the industry.

The membership of the National Turkey Federation is responsible for the production and marketing of the major portion of the nation's turkey crop and is characterized by many small and medium-size producers depending on a profitable turkey production operation as their only means of livelihood.

During the National Turkey Federation Board of Director's meeting on January 7, 1975, the following Resolution was unanimously approved:

Whereas, the U.S. Department of Agriculture has made effective use of turkey products in the School Lunch Program during 1974, and

Whereas, the purchase of whole carcass turkey, turkey rolls and ground turkey provide exceptional nutrition for school age children: Therefore, be it

Resolved, That the National Turkey Federation hereby commends the Department of Agriculture for its use of turkey and turkey products in the School Lunch Program during 1974, and for the manner in which these purchases were timed and implemented, and be it further

Resolved, That the National Turkey Federation expresses its appreciation to the Department of Agriculture for this purchase program, recognizing these purchases greatly assisted in stabilizing prices to producers, and urges continuation of purchases of turkey and turkey products for the School Lunch Program in 1975, utilizing a centralized federal procurement system.

It is in this context the National Turkey Federation fully supports the concepts embodied in S. 850 and other similar bills relative to the maintenance of commodity purchases by the Secretary of Agriculture to support the National School program and other food assistance programs.

This legislation provides for the continued use of Section 32 funds to purchase, distribute and donate nutritious agricultural commodities and other foods to the participating schools and service institutions over a three year period.

For many years, the Secretary of Agriculture has purchased turkey and turkey products using Section 32 funds. The product thus purchased has been distributed by the Department to largely support School Lunch programs, in addition to various other federally supported feeding programs. Through these purchases, it has been possible for the Secretary to provide a relatively low cost, highly nutritious food item to the recipients, and at the same time, greatly assist turkey producers in stabilizing market prices.

With respect to nutritive values, it has been demonstrated through competent nutrition research, that turkey meat contains an exceptionally high level of protein and certain vitamins, but at the same time, is quite low in calories and cholesterol content compared to many other meat food products. Without question, turkey is the perfect meat for growing youngsters requiring high levels of protein and also for the aged, whose needs for high protein and low calorie foods is a matter of scientific evidence.

Due to the seasonal character of turkey production and marketing, it is necessary that a substantial amount of product be stored beginning midyear in preparation for Thanksgiving and Christmas marketings. The mid-year in-storage movement places growers and marketers in a very weak bargaining position, as the retail demand for turkey is at a very seasonal low. It is at this time of the year that turkey generally is in a surplus condition and represents an excellent buy for the Department of Agriculture in supporting food assistance programs, plus assisting turkey producers by developing a confidence level in the market place through such direct purchases.

It is quite likely that turkey production in 1975 will be somewhat below the 131 million birds grown in 1974. This reduction in turkey numbers is not by choice, but by necessity. Turkey producers suffered devastating losses last year due to the combination of low markets and high costs, particularly feed, which represents approximately 70 percent of the cost of producing a turkey. However, recent trends in the industry indicate the major reduction in the 1975 crop will occur during the first several months of the year. It is anticipated production will increase from present levels and a substantial number of birds will be available for marketing beginning mid-year. It is possible the industry will find itself in a surplus marketing situation at that time when supplies will greatly exceed normal demand.

The suggestion is made that the Committee give serious consideration to provide the necessary authority to the Secretary of Agriculture to greatly increase the volume of commodities purchased and donated for the School Lunch program over and above traditional levels of previous years. Such authority would have two-fold benefits in that, (1) The added commodities donated would be instrumental in reducing the per student cost of a hot lunch and build participation within the system, and (2) Provide an additional market dimension to turkey producers as an incentive to more efficiently utilize existing production facilities.

In conclusion, the National Turkey Federation very strongly believes the Secretary of Agriculture must have mandated authority and funds to properly dispose of a surplus of an agricultural commodity which may exist from time to time, or to purchase commodities as needed to sustain federal food assistance programs, irrespective of a surplus situation.

It is further concluded the most effective manner for the purchase of agricultural commodities by the Secretary is through the utilization of a centralized procurement procedure which has been used most successfully in previous purchase programs. The application of such a procedure will generate definite economies to the Department through large-block purchases direct from processors and marketers. This approach eliminates additional marketing charges to schools due to product changing ownership several times prior to delivery to the School Lunch system. Such large-block purchases will also be significantly effective from the standpoint of stabilizing producer prices by removing sizeable quantities of turkey and turkey products from regular marketing channels.

There is no question that on previous occasions the Secretary's prudent use of Section 32 funds for the purchase of turkey and turkey products for the School Lunch program has been most effective and helpful by providing a healthful, nutritious meat food product to the nation's school children; assisting turkey producers by establishing a price confidence level in the market place and doing so without an accompanying dislocation of retail values to the consumer.

○